

REPUBLIQUE OF CAMEROON
PEACE – WORK - FATHERLAND



Audit bench of the Supreme Court

ANNUAL PUBLIC REPORT 2020

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LIST OF ACRONYMS AND ABBREVIATIONS

ACCT	Central Accounting Agency - Treasury
CA	Commitment Authorisation
ASAICUFL	Association of Supreme Audit Institutions having in common the use of the French Language
IR	Interim ruling
RN	Recovery Notice
ARMP	Public Contracts Regulatory Agency
AfDB	African Development Bank
BEAC	Bank of Central African States
PIB	Public Investment Budget
CCV	Customs Clearance Vouchers
RCV	Revenue Clearance Vouchers
ASF	Autonomous Sinking Fund
CAB	Chamber
ACT	Additional Council Tax
NSOSU	National Authorising Officer Support Unit
FSPMC	Framework for Support and Promotion of Mining Crafts
SAA	Special Appropriation Account
PCC	Postal Cheques Centre
AB	Audit Bench
MTEFs	Medium-term Expenditure Frameworks
CEMAC	Central African Economic and Monetary Community
GAS	General Account of the State
CONSUPE	Supreme State Audit Office
COVID-19	Coronavirus 2019
NSIF	National Social Insurance Fund
PA	Payment Appropriation
CSC	Supreme Court of Cameroon
RLA	Regional and Local Authority
PAD	Public Accounting Directorate
DRLAs	Department of Regional and Local Authorities
DGB	Directorate General of the Budget
DGC	General Allocation to Decentralisation
DGC	Directorate General of Customs
DGT	Directorate General of Taxes
DGTFMC	Directorate General of the Treasury, Financial and Monetary Co-operation
DPIP	Department of Public Investments Programming
EDOT	Statement of Transactions to be transferred
PAE	Public Administrative Establishment
CFAF	Francs of the African Financial Community

CF/AE	Counterpart funds in actual spending
FED	European Development Fund
FEICOM	Special Fund for Equipment and Inter-communal Intervention
EXFIN	External funding
INTOSAI	International Organization of Supreme Audit Institutions
IRCM	Tax on Income from Movable Assets
SAI	Supreme Audit Institution
ISSAI	International Standards of State Audit Institutions
FL	Finance Law
LJOD	Sundry Operations Ledger
MINDDEVEL	The Minister of Decentralisation and Local Development,
MINADER	Ministry of Agriculture and Rural Development
MINEPAT	Minister of Economy, Planning and Regional Development
MINESEC	Ministry of Secondary Education
MINHDU	Ministry of Housing and Urban Development
MINFI	Ministry of Finance
MINSANTE	Ministry of Public Health
MINT	Ministry of Transport
MINTP	Ministry of Public Works
PACCE	Competitiveness and Economic Growth Support Programme
RHSP	Reproductive Health Support Programme
PG	Paymaster General
GDP	Gross Domestic Product
PLASNOCAM	Cameroon National Civil Society Organization platform
SB	Settlement Bill
PM	Prime Minister
PNDP	National community driven Development Program
CFMRP	Comprehensive Public Finance Management Reform Plan
PV	Minutes
OC	Outstanding Collections
OR	Observation Report
MT	Municipal Treasurer
BBB	Basic Budget Balance
DS	Debt Service
CUBs	Committed Undisbursed Balances
TADAT	Tax Administration Diagnostic Assessment Tool
TPG	Treasurer Paymaster General
TTC	Inclusive of All Taxes
VAT	Value Added Tax
EU	European Union
UCAS	Union of central African States

THE POWERS AND MISSIONS OF THE AUDIT BENCH

The Audit Bench's powers are based on the following instruments:

- ✚ The Constitution;
- ✚ Law n°. 2003/005 of 21 April 2003 to lay down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court;
- ✚ Law n°. 2006/16 of 29 December 2006 to lay down the organisation and functioning of the Supreme Court;
- ✚ Law n°.2018/011 of 11 July 2018 to lay down the Code of Transparency and Good Governance in the Management of Public Finance in Cameroon;
- ✚ Law n°. 2018/012 of 11 July 2018 to lay down the Fiscal Regime of the State and other Public Entities
- ✚ Decree n°. 2013/160 of 15 May 2013 to lay down the General Rules Governing Public Accounting;
- ✚ Decree n°. 2020/375 of 07 July 2020 to lay down the General Rules Governing Public Accounting.

In application of the instruments mentioned above, the Audit Bench has the following missions:

- ✚ Control and judge public accounts and those of the public and semi-public enterprises (**Section 41 of Law n°. 96/06 of 18 January 1996**);
- ✚ Examine any other matters expressly devolving on it by Law (**Section 39 (e) of Law n°. 2006/016 of 29 December 2006**);
- ✚ Declare and check de facto accounting (**Section 7 of Law n°. 2003/005 of 21 April 2003**);
- ✚ Give its opinion on any matter referred to it in connection with the control and verification of accounts (**Section 10 of Law n°. 2003/005 of 21 April 2003**);
- ✚ Give its opinion on the Settlement Bill presented to Parliament and produce a certification report on the General Accounts of the State (**Section 39 (c) of Law n°. 2006/016 of 29 December 2006; Article 125 (3), and Article 126 (3) and (4) of Decree n°. 2013/160 of 15 May 2013**);
- ✚ Draw up and publish annual reports on State accounts and submit the said reports to the Head of State (**Section 39 (d) of Law n°. 2006/016 of 29 December 2006, Section 43 of Law n°. 2018/011 of 11 July 2018**);
- ✚ Submit to the President of the Republic, the President of the National Assembly and the President of the Senate an annual report setting out the general results of its deliberations and pertinent observations to reform and improve upon the keeping of accounts and the discipline of accountants (**Section 3 of Law n°. 2003/005 of 21 April 2003, Section 43 of Law n°. 2018/011 of 11 July 2018**);
- ✚ Assist Parliament in controlling the execution of Finance Laws (**Section 40 of Law n°. 2018/011 of 11 July 2018**);
- ✚ Control all operations relating to revenues, expenditures and financing of government budgets (**Section 40 of Law n°. 2018/011 of 11 July 2018**);

- + Carry out inquiries and Analysis on any budgetary, accounting and financial questions at the request of the Government or Parliament **(Section 86 (4) of Law n°. 2018/012 of 11 July 2018);**
- + Certify the regularity, the sincerity and the fairness of the General Account of the State.
- + Judge authorising officers, financial controllers and public accountants.
- + Evaluate the economy, effectiveness and efficiency of the use of public funds in relation to the objectives set, the means used and the results obtained and the relevance and reliability of the methods, indicators and data used to measure the performance of public policies and administrations.
- + Control the financial legality and budgetary compliance of all State expenditure and revenue operations. The Audit Bench establishes irregularities and misconduct from public officials in this respect. It determines, where appropriate, the amount of the resulting damage to the State. It may also impose sanctions.
(Section 86 of Law n°. 2018/012 of 11 July 2018);
- + Organise the follow-up of its recommendations and make the results public.
(Section 43 (3) of Law n°. 2018/012 of 11 July 2018).

This report was prepared by the Programming and Public Report Committee under the coordination of Madame FOFUNG Justine NABUM spouse of WACKA, President of the 3rd Division, and Mr YEBGA MATIP, Master of the Supreme Court. The said Committee included:

- Mrs NJONKOU MANGWA Rose spouse of TCHOQUESSI and Mr SUH Alfred FUSI, Justices of the Supreme Court;
- Messrs DJOKO André, MIKONE Martin Bienvenu, ALIMA Jean-Claude, Masters of the Supreme Court;
- Messrs LEMA Aurèle Michel, Mr MFUL'EMANE Yves Olivier, Mr TAMA Vital Charly, Mrs MODEA SALABI Pascale Christelle, Mrs DANAGUI Denise spouse of NGANAVA and MENGUE Maud, Trainee Commissioners of Audit;
- Mr NIBA George AMANCHO AWAH, Advocate General;
- Mr NGUETCHUENG Bertrand, Registrar-in-Chief at the Audit Bench, Mr OUWE MISSI Martial Milhaud, Mrs NGUIABEU Christiane spouse of SIMO, Mrs NOG DITE GWET Sylvie spouse of SELOUGOU, Mr HAMAN Dieudonné and Mr KAIGUET Pierre Claver, Division Registrars;
- Mr MAKON NTOT Jean Emmanuel, Head of the service incharge of production of accounts and follow-up of accountants;
- Mr SANAMA Abel, Head of the Translation Bureau;
- Ms WOUKEP TCHAPWOUO Francine Jael, Contract Officer, Translator-Interpreter;
- Mrs. EPIE EKUME Irène, Mrs. EYINGA NLATE Evelyne Sandrine spouse of ENAM, Mr NTAMAG Achille and Mr. Alain NJAKOMARE ITOE, Audit Assistants.

This report was reviewed by a committee chaired by Mrs FOFUNG Justine NABUM spouse of WACKA, President of the third Division of the Audit Bench, and Coordinator of the Programming and Annual Public Report Committee. The following also took part in the review:

- MBENOUN Théodore, NGATCHA Isaïe and NDJOM NACK Elie Désiré, Division Presidents;
- YEBGA MATIP, NDONGO ETAME David, DJOKO André, and MIKONE Martin Bienvenu, Masters of the Supreme Court;
- Messrs NDZINGA Joseph and NKOUNGOU MINLO Jean Aristide, Trainee Commissioners of Audit.

ONANA ETOUNDI Félix, Advocate General, representing the Procureur General at the Supreme Court.

OUWE MESSI Martial MILHAUD, Division Registrar of the Audit Bench, took the minutes.

RULING

Under the provisions of Order n°. 2017/10/CAB/PCDC/CSC of 22 June 2017 to amend and supplement Order N°. 26/CDC/CSC of 19 October 2010 signed by the President of the Audit Bench to determine matters the various Divisions of the Audit Institution shall examine.

The Audit Bench, deliberating in Chambers, adopted this report drawn up according to Section 3 of Law n°. 2003/005 of 21 April 2003 laying down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court.

When sitting in chambers, the committee was composed as follows:

President

Mr YAP ABDOU, the President of the Audit Bench of the Supreme Court

Members

- Mrs FOFUNG Justine NABUM spouse of WACKA, Division President;
- Mr MBENOUN Théodore, Mr NGATCHA Isaïe and Mr NDJOM NACK Elie Désiré,
Division Presidents;
- Mrs NJONKOU MANGWA Rose spouse of TCHOQUESSI and Mr SUH Alfred FUSI,
Justices of the Supreme Court;

The Legal Department was represented by:

- Mr NIBA George AMANCHO AWAH and Mr. ONANA ETOUNDI Félix, Advocates General.

Mr NGUETCHUENG Bertrand, Registrar-in-chief, took the minutes.

Done at the Audit Bench of the Supreme Court on 21 February 2020.

FOREWORD

Cameroon is amongst democratic countries that apply transparency and good governance in public finance management. Thus, the State and its branches in charge of collecting taxes are accountable to citizens and taxpayers for the use they make of those taxes. In Cameroon, the mission of controlling the use of public funds was assigned to the Audit Bench of the Supreme Court.

Under the laws and regulations governing it, the Audit Bench of the Supreme Court prepares a report at the end of each year. This report informs the political authorities, the administrations, and the public on the activities of control and judgement of the State's public accounts, those of Regional and Local Authorities (RLAs) and those of Public Enterprises (PE). This is the background of this fourteenth annual report published by the Audit Bench since it started its work in 2006.

During the 2020 financial year, the Audit Bench carried out its activities in a context marked by the retirement of two (2) Division Presidents and five (5) Masters of the Supreme Court, on the one hand, and the appointment of a new President and the arrival of three (3) Justices of the Supreme Court and forty-five (45) Trainee Commissioner of Audit, on the other hand.

Due to much incoming staff and the small size of its premises, the Audit Bench endeavoured to find a temporary solution to accommodate the newcomers, notably the Trainee Commissioners of Audit. However, this situation did not affect its performance. On the contrary, the Audit institution implemented the annual programme it adopted at the end of 2019. This report describes the activities carried out under that programme. In addition, the Audit Bench conducted an audit on the use of the resources of the Special National Solidarity Fund for the fight against the Coronavirus and its economic and social repercussions. The Audit Bench will address the resulting report to the authorities.

Similarly, in the process of the gradual implementation of Law n°. 2018/011 and Law n°. 2018/012 of 11 July 2018 relating respectively to the Code of Transparency and Good Governance of Public Finance in Cameroon and the Fiscal Regime of the State and other Public Entities, the Audit Bench drew up, during the year under review, a strategic plan for the period 2020 to 2023, which started with the preparation of a draft bill to determine the powers, functioning and procedures applicable to the audit institutions of Cameroon (Audit Bench and the Regional Audit Courts).

As a financial governance body, the Audit Bench of the Supreme Court serves as an advisor to authorities. It provides them with technical assistance in managing public funds, especially when decentralisation is accelerating with the increasing transfer of financial resources and power to regions following the provisions of Law n°. 2019/024 of 24 December 2019 on the General Code of Regional and Local Authorities.

This report provides information on several aspects of financial management at the local level. Therefore, I urge all those interested in public finance management in general and local elected officials to read it carefully.

Chief Justice of the Supreme Court

MEKOBE SONE Daniel

INTRODUCTION

The fourteenth activity report of the Audit Bench of the Supreme Court provides information on the work carried out by the Audit Institution during the 2020 financial year.

These activities focused on controlling and examining the accounts of the State, the accounts of Regional and Local Authorities, and the accounts of Public Establishments and Public Enterprises.

This Annual Report also contains the Audit Institution's report on the implementation of the finance law for the 2019 financial year, together with its opinion on the Settlement Bill and the Report on the certification of the General Account of the State. The latter was produced on an experimental basis for an essentially educational purpose as the official certification of the said account will only start from the 2022 financial year under the provisions of Section 92 (2) of Law n°. 2018/012 of 11 July 2018 to lay down the Financial Regime of the State and other public entities.

The work covered in this report was carried out in strict compliance with the Code of ethics of Cameroon's audit institutions. This code emphasises respect for the principles of collegiality, adversarial process, and the defendant's right to defence, to name but a few.

This report, like the previous ones, consists of four (4) parts:

- Part One deals with the management activities of the Audit Bench;
- Part two focuses on the missions carried out during this period: jurisdictional controls and extrajudicial attributions;
- Part three sets out the actions taken by the Audit Bench in 2020, the opinions and certification reports;
- Part four includes a reminder of the recommendations not yet implemented, the Audit Bench made since it started its activities in 2006 and those resulting from its work in 2020.

**MANAGEMENT ACTIVITIES OF THE AUDIT BENCH
IN 2020**

CHAPTER 1. THE RESOURCES OF THE AUDIT BENCH IN 2020

The operating resources available to the Audit Bench in 2020 include human, material and financial resources.

SECTION 1. HUMAN RESOURCES

The Audit Bench's overall staff as at 31 December 2020 was two hundred and thirty-two (232) compared to one hundred and eighty-three (183) in 2019. This staff consists of Legal and Judicial Officers, registry staff, Audit Assistants and support staff.

Paragraph 1. Legal and Judicial Officers

As at 31 December 2020, the number of Legal and Judicial Officers was ninety-eight (98). They are distributed as follows:

94 Legal and Judicial Officers at the bench, including:

- four (4) first group super scale Legal and Judicial Officers;
- five (5) second group super scale Legal and Judicial Officers;
- seven (7) fourth scale Legal and Judicial Officers;
- seventy-nine (79) first scale Legal and Judicial Officers.

04 Legal and Judicial Officers at the Legal Department, including:

- the Senior Advocate General, first group super scale Legal and Judicial Officer;
- two Advocates General, second group super scale Legal and Judicial Officers;
- an Advocate General, fourth scale Legal and Judicial Officer;

Paragraph 2. Registry staff

The number of registry officials working at the Audit Bench has increased from fifteen (15) to seventeen (17) as follows:

- one (1) senior Registry Administrator;
- four (4) registry administrators;
- two (2) Senior Court Registrars;
- Five (5) Court Registrars;
- five (5) Assistant Court Registrars

Paragraph 3. Audit Assistants

The number of Audit Assistants remained stable at forty-three (43) senior administrative support staff.

Paragraph 4. Support staff

There are four categories of Support staff: technical staff, administrative staff, security staff, and drivers.

A. Technical staff

The technical staff includes two (2) computer specialists, two (2) translators and ten (10) documentalists and archivists.

B. Administrative staff

In 2020, the number of administrative staff was twenty-one (21), comprising four (4) heads of department and seventeen (17) secretaries.

C. Security staff

The security of the two sites housing the services of the Audit Bench was ensured during the year 2020 by thirteen (13) agents from the National Gendarmerie, the National Security and the Penitentiary Administration.

D. Drivers

In 2020, there were twenty-nine (29) drivers.

Paragraph 5. The overall trend in the Audit Bench staff from 2018 to 2020

The human resources changed from 2018 to 2020 as indicated in the table below:

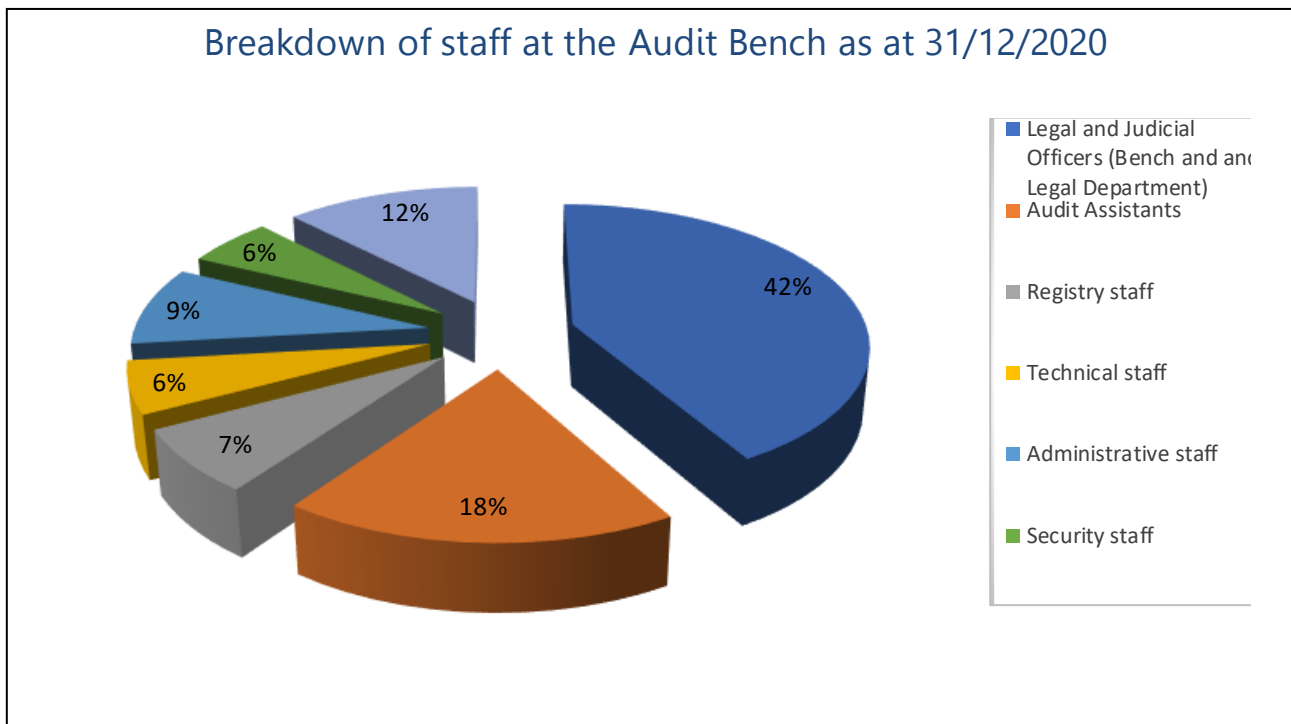
Table 1. Staff situation from 2018 to 2020

Financial years Socio-occupational category	2018		2019		2020	
	Staff	%	Staff	%	Staff	%
Legal and Judicial Officers (Bench and Legal Department)	57	30.65	57	32.02	98	41.70
Audit Assistants	50	26.88	47	26.40	43	18.30
Registry staff	17	9.14	15	8.43	17	7.23
Technical staff	12	6.45	12	6.74	14	5.96
Administrative staff	41	22.04	40	22.47	21	8.94
Security staff	9	4.84	7	3.93	13	5.53
Drivers	-	-	-	-	29	12.34
Total	186	100.00	178	100.00	235	100.00

Sources: AB/REGISTRY

The chart below shows the distribution of staff at the Audit Bench as at 31 December 2020.

Chart 1: Breakdown of staff at the Audit Bench as at 31/12/2020.



SECTION 2. MATERIAL RESOURCES

The material resources of the Audit Bench include the vehicle fleet and buildings.

Paragraph 1. The vehicle fleet

As at 31 December 2020, the vehicle fleet of the Audit Bench consisted of:

- twenty-five (25) service vehicles assigned to Legal and Judicial Officers,
- two (2) liaison pick-ups;
- one (1) van for the transportation of documents;
- four (4) mission vehicles.

That is a total of thirty-three (33) vehicles.

As noted in the 2019 annual report, all the service vehicles used by Legal and Judicial Officers have reached the decommissioning age. As a result, their maintenance has become increasingly expensive.

Paragraph 2. The Buildings

In 2020, the Audit Bench carried out its activities in two (2) sites.

Some of the Audit Bench services are housed at its Headquarters Building and annexe at Winston Churchill Avenue in Yaounde and others at the Archive Centre at Nkozoa.

The Archive Centre has been at saturation point for several years. The construction of a new building is underway.

Moreover, the premises of the Headquarters building are now small compared to the number of staff employed at the Audit Bench.

SECTION 3. FINANCIAL RESOURCES

The State and the European Union financially supported the functioning of the Audit Bench in 2020.

Paragraph 1. The Audit Bench's budget in 2020

Commitment authorisations amounting to CFAF 921,192,858, excluding expenditure on staff, were allocated to the Audit Bench in the budget of the Supreme Court for the 2020 financial year. The operating appropriations represent 100% of this allocation.

As at 31 December 2020, the budget of the Audit Bench was executed to the tune of CFAF 910 245 108 in absolute value, i.e. 98,82% in relative value.

The following table summarises the comparative data on the budget execution of the Audit Bench from 2018 to 2020.

Table 2. Trends in the execution of the Audit Bench's budget from 2018 to 2020 (in thousands of CFAF)

Description		2018	2019	2020
Operating expenses	Allocations	488,500	910,000	921,192
	Execution	439,910	871,127	910,245
	Execution rate (%)	90.05	95.73	98.82

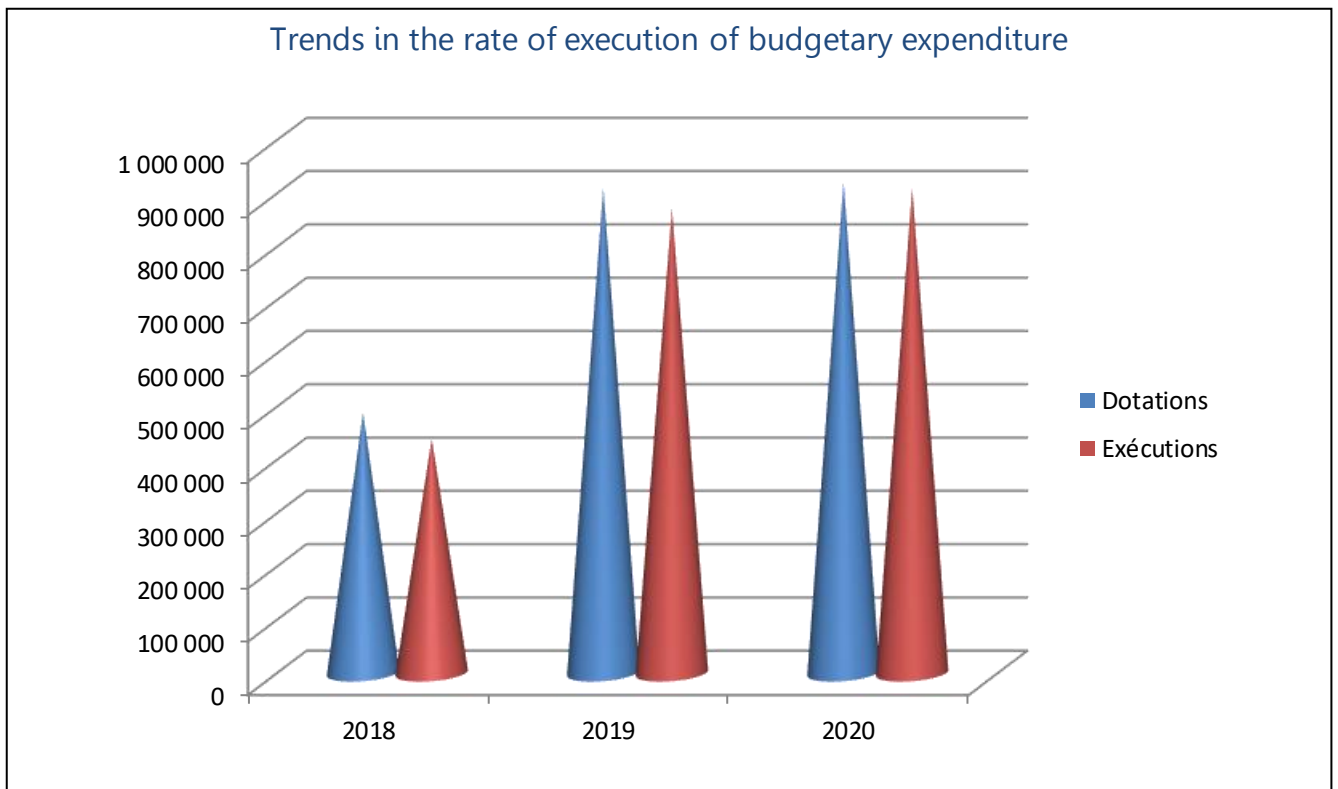
Sources: MINFI/DGB; MINEPAT/DPIP

The execution rate in 2020 was 98.82%, three points up compared to the previous year.

As in previous years, the punctual financial support of the Ministry of Finance and the funding of the international co-operation were instrumental in the performance of some essential activities of the Audit Bench.

Chart 2 below shows the trend in the execution of the budget of the Audit Bench for the period 2018 to 2020.

Chart 2: Trends in the execution rate of budgetary expenditure



The consumption of budgetary allocations to the Audit Bench in 2020 has improved compared to previous years. It rose from CFAF 439,910,000 in 2018 to CFAF 910,245,108 in 2020.

Paragraph 2. Support from the European Union

It consists mainly of technical assistance and training paid for by the EU itself.

CHAPTER 2. TRAINING AND CAPACITY-BUILDING ACTIVITIES

During 2020, coaching and capacity-building activities were twofold: in-country training workshops and co-operation activities with partners.

SECTION 1. TRAINING ACTIVITIES WITHIN THE COUNTRY

These activities concerned both the staff of the Audit Bench and trainee Commissioners of Audit.

Paragraph 1. Supervision of trainee Commissioners of Audit of the Audit Bench

During the year under review, from 09 December 2019 to 09 December 2020, the Audit Bench supervised twenty-five (25) Commissioners of Audit from the Accounts and Common Law Sections.

During their stay at the Audit Bench, they got acquainted with the work and practices of the Audit Institution.

Paragraph 2. Training of the staff of the Audit Bench

In 2020, Legal and Judicial Officers, Registrars, Audit Assistants and other staff of the Audit Bench were trained in the general methodology of Management Review. The training aimed at showing participants how to exercise this new competence attributed to the institution by Law N°. 2018/011 and Law n°. 2018/012 of 11 July 2018 relating respectively to the Code of Transparency and Good Governance of Public Finance in Cameroon and the Fiscal Regime of the State and other Public Entities.

This training focused on two (2) components:

i- General introduction to management review;

- the legal environment;
- control of the regularity of operations;
- control of performance;
- the principles underlying the procedure;
- control difficulties in management review;
- qualities of a good report;
- the influential judiciary of the Audit Bench;
- challenges for the Audit Bench in 2020

ii- Management review steps :

- programming;
- getting to know the structure;
- opening of the control;
- establishing the axes of control;
- Examination;
- Closing of the audits and end-of-audit interview;
- drafting of the interim observations report (IOR);
- presentation to the deliberating session and drafting of the interim observation report (IOR);
- adversarial phase and drafting of the final observation report (ROD);
- drafting of the final observation report (FOR) and other audit products.

SECTION 2. CO-OPERATION ACTIVITIES WITH PARTNERS

In 2020, co-operation resulted in organising several seminars financed by partners.

Paragraph 1. Seminar on the review of the terms of reference of a study on audit institutions in Cameroon

The Audit Bench participated in a workshop to review the terms of reference of a study on audit institutions in Cameroon. Inspectors, controllers and auditors of the Supreme State Audit Office (CONSUPE) participated in the workshop. The African Development Bank (AfDB) and the National Authorising Officer Support Unit (NAOSU) financed the seminar.

Furthermore, the President of the Audit Bench granted an audience to a delegation led by the Coordinator of the National Authorising Officer's Support Unit (NAOSU) of the European Development Fund (EDF) within the framework of the co-operation between the two institutions. The purpose of the meeting was to support transparency and good governance reforms.

Paragraph 2. Meetings with the IMF and FAD

In 2020, the Acting President of the Audit Bench chaired a meeting with a team of experts conducting a technical assistance mission to Cameroon under the leadership of the Public Finance Department (FAD), in the presence of representatives of the Ministry of Finance (MINFI).

The purpose of the meeting was to enquire about the activities carried out by the Audit Bench, particularly in public investments. In addition, the IMF delegation discussed the following issues:

- Does the Audit Bench fully exercise the missions conferred to it by the laws and regulations in force?
- Apart from the activities relating to the Settlement Bill, does the Audit Institution cover other fields or activities of administrations or other public entities?
- What is the place and role of the Audit Bench in public finance management?

- Beyond the subject of public investment, what is the Audit Bench's opinion on public finance management (cash management, debt management, public contract regulations, etc.)?
- Are the Audit Bench's annual reports regularly published as recommended by PIMA 2016?
- Does the Audit Bench independently prepare its annual programme of control and activities?
- Does the Audit Bench carry out field missions?

The discussion of these issues gave rise to exchanges, and it appeared that the Audit Bench was exercising full jurisdiction. It, therefore, needs to organise itself to take full advantage of its powers. To this end, and in line with the overall public finance management reform plan, the Audit Bench has designed its strategic and operational plan for 2019 to 2023.

The current legislation thus gives the Audit Bench the priority in terms of audit and all the powers devolved to Supreme Audit Institutions as recommended by INTOSAI.

Paragraph 3. Workshop on the development of the legal instruments relating to the Economic Partnership Agreement between Cameroon and the United Kingdom

In 2020, the Audit Bench took part in the deliberations organised by the Ministry of Economy, Planning and Regional Development (MINEPAT) on drafting the legal instruments relating to the Economic Partnership Agreement.

Part Two

EXECUTION OF THE MISSIONS OF THE AUDIT BENCH IN 2020

CHAPTER 1. JUDICIAL CONTROLS

During the 2020 financial year , the Audit Bench endeavoured to carry out its jurisdictional missions.

SINGLE SECTION: CONTROL AND JUDGEMENT OF THE ACCOUNTS OF PUBLIC ACCOUNTANTS

Judicial control concerns the management accounts of public accountants of the State's financial ciconscriptions (Treasurer Paymaster General, Paymaster General of the Treasury, Central accounting officer of the Treasury, Specialised Paymasters of some ministries), public accountants working for Regional and Local Authorities (council and regional treasurers), public accountants working for public establishments (Accounting Officers).

Judicial control of accounts of public accountants is exercised by the first, second and third Divisions of the Audit Bench. Accordingly, the Joint Sessions hear only cross-cutting cases that do not fall exclusively under the jurisdiction of one of the three Divisions mentioned above.

The control and judgment of public accountants' accounts depend on the production of management accounts in the form and within the time limits prescribed by the regulations. Failure to comply with these prescriptions expose accountants to fines.

Paragraph 1. Production of management accounts in 2020

According to section 26 (2) of the Law mentioned above n°. 2003/005 of 21 April 2003: "*(2) Accounts produced by certified public accountants, finalised and examined following instruments in force shall be submitted for adjudication to the Audit Bench within 3 (three) months following the closing of the financial year*".

Section 74 (5) of Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other public entities provides that "*budgetary expenditures incurred and liquidated during the financial year may be paid after the end of the financial year, during a complementary period which may not exceed thirty days (...)*".

On its part, article 26 (1) of Decree n°. 2020/375 of 7 July 2020 on the General Rules governing Public Accounting states that "*the management accounts of the senior public accountants shall be submitted to the Audit Institution by 31 May of the financial year following that in respect of which they were drawn up*".

From the above provisions, it is clear that the management accounts for the 2019 financial year were due at the Audit Bench by 31 May 2020.

The table below shows accounts of 2019 expected at the Audit Bench in 2020, trends in the production of management accounts between 2018 and 2020, and the accounts non-

produced since 2004, when the Audit Bench started effectively its work, until 31 December 2020.

Table 3. Production of management accounts from 2018 to 2020

Description		2018 financial year			2019 financial year			2020 financial year		
		Current	Previous	Total	Current	Previous	Total	Current	Previous	Total
Public accountants of the State (TPG, PG, ACCT, PS)	Accounts expected	18	5	23	18	5	23	20	2	22
	Accounts submitted	15	3	18	16	3	21	18	0	18
	Non-produced accounts	3	2	5	2	0	2	2	2	4
	Production rate	83.3%	60%	78.26%	88.88%	60%	91.30%	90%	0%	81.81%
Public accountants of RLAs (council and regional treasurers)	Accounts expected	374	3,715	3,920	374	3,777	4,151	374	3888	4262
	Accounts produced	169	143	312	127	136	263	156	227	383
	Non-produced accounts	205	3572	3,777	247	3641	3888	218	147	365
	Production rate	45.18 %	3.84%	7.95 %	33.95%	3.60%	6.33%	41.71%	5.83%	8.98%
Public accountants of PE (accounting officers)	Accounts expected	97	572	669	97	599	696	97	611	708
	Accounts produced	37	33	70	36	49	85	50	70	120
	Non-produced accounts	60	539	599	61	550	611	47	541	588
	Production rate	38.14%	5.76%	10.46%	37.11%	8.18%	12.21%	51.54%	11.45%	16.94%

This table shows that:

- in 2019, public accountants (TPG, PG, ACCT, PS) produced eighteen accounts out of the twenty expected, i.e. a production rate of 90%. The two non-produced management accounts were those of the Yaounde Treasurer Paymaster General;
- Between 2019 and 2020, there was a slight increase from 33.95% to 41.71% in the production rate of municipal treasurers' accounts (regional treasurers' accounts did not exist yet as at 31 December 2019). This increase resulted from the coaching workshops organised by MINFI, MINDDEVEL, and the PNDP for municipal treasurers. The Audit Bench actively participated in those workshops. However, the concern about the low production rate of RLAs accounts remains significant given the critical and growing powers conferred on them through the accelerated decentralisation process and the setting up of Regional Councils. 227 accounts for the years before 2019 were nevertheless submitted to the Audit Bench, resulting in a submission rate of 5.83% for the year before 2019; as at 31 December 2020, the cumulative

number of council revenue offices accounts not submitted is four thousand two hundred and sixty-two (4262);

- Concerning the accounts of public accountants of public establishments, fifty out of the ninety-seven expected for the financial year 2019 were produced, i.e. a production rate of 51.54%, an apparent increase compared to the year 2019 (37.11%) and the year 2018 (38.14%). On the other hand, the overall production rate of the accounting officers' management accounts remains very low at 16.94%.

Paragraph 2. Judgement of the management accounts in 2020

A. Examination of accounts

The table below shows the situation of examination reports produced by the First, Second and Third Divisions of the Audit Bench at the end of controls:

Table 4. Examination of management accounts of public accountants from 2018 to 2020

Description				2018	2019	2020
Accounts of public accountants	Examination reports	Fine	Interim	1	4	0
			Final			
		Ruling	Interim	23	15	13
			Final			0
		Declaration of de facto management	Interim	11	0	0
			Final			0
S1				35	19	13
Accounts of council and regional treasurers	Examination reports	Fine	Interim	4	896	1074
			Final			
		Ruling	Interim	33	326	
			Final			
		Declaration of de facto management	Interim	9	0	
			Final			
S2				46	1222	1,074
Accounts of accounting officers	Examination reports	Fine	Interim	4	2	51
			Final			
		Ruling	Interim	65	44	44
			Final			17

		Declaration of de facto management	Interim	0	0	0
			Final			0
S3				69	46	112
Total (S1 + S2 + S3)				150	1287	1,199

The table shows that, in 2020, the Audit Bench produced one thousand one hundred and ninety-nine (1199) examination reports, i.e. a decrease of 9.57% compared to 2019.

B- Rulings delivered by the Divisions in charge of the control and judgement of accounts

The Audit Bench rendered two hundred and eleven (211) rulings during the 2020 financial year, including one hundred and twenty-eight (128) interim rulings and eighty-three (83) final rulings, as shown in the table below:

Table 5. Rulings delivered by the Divisions in charge of the control and judgement of accounts from 2018 to 2020.

Financial year	2018			2019			2020		
	Description	Interim rulings	Final rulings	Total	Interim rulings	Final rulings	Total	Interim rulings	Final rulings
First Division	17	4	21	08	13	21	13	0	13
2nd Division	30	03	33	43	68	111	72*	64	136
3rd Division	48	7	55	42	02	44	43**	19***	62
Total	95	14	109	93	83	176	128	83	211

* of which 71 were interim rulings with fines for late production of management accounts

** these are exclusively orders

***of which 02 debit rulings and 17 discharge rulings

CHAPTER 2: MANAGEMENT REVIEW

Before the enforcement of the 2018 Law on the Financial Regime of the State and Other Public Entities, only public enterprises were subject to the management controls exercised by the Fourth Division.

Following the provisions of the law mentioned above, the Audit Bench added some new activities in its programme for 2020. These include the management review of some administrations, Public Administrative Establishments, Regional and Local Authorities and all entities previously subject only to the jurisdictional control of the management accounts produced by accountants.

This prerogative also made it possible to audit the management of the resources of the special national solidarity fund for the fight against the Coronavirus and its economic and social impacts.

SECTION 1: MANAGEMENT REVIEW BY THE FOUR DIVISIONS OF THE AUDIT BENCH

The Audit Bench decided on the programme to review the management of some public entities for the 2020 financial year.

The first Division undertook a management review of two ministries.

The second Division conducted management reviews in four city councils.

The third Division reviewed the management of a public hospital and an academic institution.

The fourth division reviewed the management of 11 Public Enterprises.

As at 31 December 2020, one final observation report was under deliberation, while two interim observation reports were forwarded to the entities concerned.

SECTION 2: AUDIT ON THE USE OF RESOURCES OF THE SPECIAL NATIONAL SOLIDARITY FUND FOR THE FIGHT AGAINST THE CORONAVIRUS AND ITS ECONOMIC AND SOCIAL IMPACTS

The health crisis linked to the Coronavirus (covid-19) pandemic, which has been affecting Cameroon since March 2020, like all the countries in Africa and the world, prompted from the Government, a strong Global Response Plan amounting to CFAF 479,000,000,000 over three years, including CFAF 296,000,000,000 for the 2020 fiscal year.

Within this framework, the President of the Republic's Ordinance N°. 2020/001 of 3 June 2020 amending the finance law provided for tax relaxation measures estimated at CFAF 116,000,000,000 in 2020, and the establishment of a Special Appropriation Account called "*National Solidarity Fund for the fight against the Coronavirus and its economic and social repercussions*", with a budget of CFAF 180,000,000,000, divided into 04 programmes, which concerns 24 ministries.

Given that this response plan was critical for the health of the population, the national economic development, and the need to inform and reassure the various technical and financial partners as well as citizens on the management of resources allocated to the response to the Coronavirus, the Audit Institution included the audit of the Special National Solidarity Fund in its programme for 2020.

Moreover, in Ordinance n°. 2020/001 of 3 June 2020, the Head of State prescribed an independent audit, whose results were to be made public.

Decree n°. 2020/3221/PM of 22 July 2020 of the Prime Minister, Head of Government, and Circular n°. 00000220/C/MINFI of 22 July 2020 of the Minister of Finance assigned this audit to the Audit Bench.

This audit results from decre the Head of State's request for the Audit Bench to audit the use of the resources made available to MINSANTE from 03 to 27 April 2020, from 27 April to 13 May and from 13 to 27 May 2020¹.

Under the provisions of Section 86 of Law N°. 2018/012 of 11 July 2018 on the Fiscal Regime of the State and other public entities, the Audit Bench examined the regularity of the use of public funds and the performance of public action, including its economy, efficiency and effectiveness.

The Audit Bench focused on the activities conducted by the Ministry of Public Health (MINSANTE), the Ministry of Scientific Research and Innovation (MINRESI) and the Ministry of Finance (MINFI) during the 2020 financial year. The expenditures of the other ministries involved up to 31 December 2020 under the Special Fund were not very significant; they were estimated at CFAF 9.8 billion in appropriations. The perimeter selected thus made it possible to verify CFAF 157,900,000,000 of expenditure, out of a total of CFAF 167,700,000,000, i.e. 94.1% of the spending.

¹Letter from the Secretary General of the Prime Minister's Office to the President of the Audit Bench dated 21 October 2020 relaying a request from the President of the Republic.

CHAPTER 3: ASSISTANCE TO THE GOVERNMENT

One of the missions of the Audit Bench, as mentioned above, is to assist the government in the management of public finance. This assistance takes the form of the Audit Bench's opinion on draft instruments governing public finance management or its participation in various inter-ministerial committees and working groups. One of the most significant manifestations of the support provided by the Audit Bench to the Government is the permanent framework for consultation between the Ministry of Finance and the Audit Bench. Other examples include participation in the work of budgetary and accounting reform, participation in the preparation of the overall public finance management reform plan, and monitoring its implementation.

SECTION 1: THE PERMANENT FRAMEWORK FOR CONSULTATION BETWEEN THE MINISTRY OF FINANCE AND THE AUDIT BENCH

Twelve years after establishing a Permanent Framework, the need to maintain an open platform for in-depth exchanges between the Ministry of Finance (MINFI) and the Audit Bench (AB) is now clear. The two bodies share the same objective of ensuring the quality of public accounts and promoting good governance to improve the living conditions of Cameroonians.

The permanent consultation framework MINFI - Audit Bench found it appropriate to integrate and involve the Ministry of Decentralisation and Local Development (MINDDEVEL) in this work given the ever-increasing role assigned to RLA in the management of public finance.

The permanent framework led to many advances in the following areas notably: the relations between MINFI and the Audit Bench, the keeping of accounts, the contribution of the Audit Bench in the preparation of the Settlement Bill, the expectations of the Audit Institution concerning the certification of the General Account of the State, the knowledge of the procedures in force concerning the control and judgement of accounts, the awareness among those involved in the management of public finance on the extent of their responsibilities (authorising officers, financial controllers, public accountants).

In 2020, the Permanent Framework held its four regular sessions. The first two sessions were held on 11 June 2020, while the third and fourth sessions were held on 17 December 2020. In addition, there was work between sessions.

The Audit Bench participated in:

- updating the legal framework for the presentation of accounts and monitoring the implementation of the accounting reform;
- the work on the internalisation of CEMAC directives on public finance management²;
- the draft MINFI/MINDCAF circular on the inventory and evaluation of the assets;
- the draft circular on the life span of goods;

² The State's chart of accounts, the State's budgetary nomenclature, the State's table of financial operations, the General Rules on Public Accounting. The Fiscal Regime of the State and other Public Entities as well as the code of Transparency and Good Governance were transposed in 2018.

- the new format of the administrative and management accounts.

For RLAs in particular, the Audit Bench participated in the draft text on the status and powers of council treasurers, the draft sectoral accounting plan, the budgetary nomenclature, the draft decree on RLAs' fiscal calendar, and the draft codifying instruction on the keeping of RLAs accounts.

The permanent framework has a lot of work ahead of it. However, it should be noted that the statutory members of this permanent framework experienced a high degree of mobility. This was due to the appointment of Legal and Judicial Officials at the Audit Bench after the Higher Judicial Council of 10 August 2020 and a significant redeployment of staff in the Ministry of Finance, particularly those of the Directorate General of the Treasury, Financial and Monetary Co-operation (DGTCFM).

SECTION 2: EVALUATION OF THE IMPLEMENTATION OF THE COMPREHENSIVE PLAN FOR PUBLIC FINANCIAL MANAGEMENT REFORM (PGRGFP)

In 2020, the Audit Bench took part in a meeting of the steering committee of the public finance dialogue platform (COPIL/PDFP) chaired by the Minister of Finance, in the presence of representatives of some partner institutions, particularly the Head of the European Union delegation. The meeting aimed at assessing the implementation of the comprehensive plan for public finance management reform. The Audit Institution seized that opportunity to present its Annual Operational Plan (AOP) 2019. This plan reported on actual achievements as at 30 June 2020 concerning axis 4 of the PGRGFP: the development of internal audits and checks and external controls through:

- the status of the implementation of the 2019 AOP;
- the presentation of the challenges encountered;
- the evaluation of some activities to be carried out between March and December 2020.

One of the lessons learned from these exchanges was the need to increase the financial and management autonomy of the Audit Bench to ensure a better deployment and a more efficient execution of its missions.

SECTION 3: COACHING WORKSHOPS FOR MUNICIPAL TREASURERS

Legal and Judicial Officers and audit assistants participated in several coaching workshops for municipal treasurers organised throughout the country. These workshops, financed by the National Participatory Development Programme (PNDP), aimed to provide the necessary expertise to the accountants of RLAs in the preparation of their management accounts, end-of-year operations, verification of the consistency between the different statements of the management account, notably the trial balance, the state of execution of revenues and expenditures, and the balance sheet. In addition, these workshops recalled the legal provisions governing the keeping of accounts, the production of management accounts, and public accountants' responsibility.

The coaching workshops led to a quantitative and qualitative improvement in the management accounts produced by municipal treasurers.

SECTION 4: PARTICIPATION OF THE AUDIT BENCH IN THE NATIONAL COMMISSION FOR THE EXAMINATION OF THE APPLICATION FOR THE WRITE OFF OF TAX RECEIVABLES

The national commission for the write off of tax receivables was established by Decision N°. 00355/MINFI/SG/DGI of 23 May 2014 of the Minister of Finance and its activities were carried out in conformity with the provisions of Circular N°. 00661/MINFI/DCI/DGTCFM of 3 December 2014 specifying the procedures for clearing Outstanding Collection (OC).

The commission is composed of nine members, including the Director General of Taxes and the representative of the Audit Bench and other members representing several departments of the Ministry of Finance and socio-professional groups.

In 2020, this commission recorded written off receivables from 2014 to 2020, as shown in the table below.

Table 6. Summary statement of receivables written off for the period 2014 to 2020

Date of commission session	Number of receivables proposed	Amount of receivables proposed	Number of receivables admitted	Amount of receivables admitted	Number of receivables rejected	Amount of receivables rejected
December 2014	251	1 048 111,175	52	1,914, 286,178	169	8,565,825, 797
April 2015	692	4,241,208, 013	623	2,494,327, 524	69	1,746,880, 489
July 2015	473	8,698,807, 913	451	5,421,780, 808	22	3,277,027, 105
December 2015	935	4,134,960, 335	765	2,594,311, 229	170	1,540,649, 106
July 2016	597	5,773,963, 820	561	2,499,324, 562	36	3,274,639, 258
December 2016	277	4,216,252, 644	261	3,742,226, 695	16	474,025, 949
July 2017	1512	8,634,851, 289	1474	6,071,822, 895	38	2,563,028, 394
December 2017	2695	6,689, 449129	2671	6,477,048, 769	24	212,400, 360
December 2018	6136	1,832,866, 132	6078	6,665,847, 509	58	4,167,018, 623
December 2019	4,904	13,382,352, 620	4,779	10,311,446, 392	125	3,070,906,228
September 2020	709	4,773,365, 767	695	3,978, 984361	14	794,381, 406
December 2020	1,118	12,129,592, 742	1,102	8,220,675, 603	16	3,908,917, 139
TOTAL	20,299	80,791,781, 579	19,512	60,392,082, 525	757	33,515,699, 854

In fact, during the period mentioned above and as shown in the table, the commission ruled on **20,299** debt securities. These were proposed for writing off and defended by the territorially competent Tax Revenue Collectors for **80,791,781,579** CFA francs.

At the end of the debates, **19,512** debt securities totalling **60,392,082,525** CFA francs were written off, while **757** bonds amounting to **33,515,699,854** CFA francs were rejected for additional diligence.

The Minister of Finance's decisions to write off these tax receivables were duly signed and returned to the Directorate General of Taxes for distribution to all the Tax Revenue Collectors concerned for exploitation and clearance.

CHAPTER 4: ASSISTANCE TO PARLIAMENT

SINGLE SECTION: EXCHANGE FORUMS WITH PARLIAMENT

The Audit Bench of the Supreme Court holds seminars and exchange forums with each House of Parliament.

Paragraph 1: Exchange forum with the Finance and Budget Committee of the SENATE and the National Assembly

In June 2020, an exchange forum was held between the Audit Bench and the Finance and Budget Committee of the National Assembly. It was co-chaired by Mrs FOFUNG Justine NABUM, spouse of WACKA, and Mrs MOUTYMBO AYAYI Rosette, Acting President of the Audit Bench and President of the Finance and Budget Committee of the National Assembly respectively. This forum was the first for the members of the tenth legislative period and the one that established this work with the Audit Bench.

After the ceremonial phase marked by speeches from the two Presidents, the work focused on:

- the presentation of the summary report of the twenty-first exchange forum;
- the Audit Bench's presentation on *"the evolution of the jurisdiction of the Audit Bench and its impact on the management of Regional and Local Authorities."*

At the end of the forum, the participants noted:

- a significant advance in the Audit Bench's powers following the laws of 2018 on the new fiscal regime of the State and the code of transparency and good governance, the Code of Regional and Local Authorities of 2019;
- the urgent need of control and transparency in the management of Regional and Local Authorities;
- the need for the Finance and Budget Committee to rely on the Audit Institution to carry out investigations into the management of public finance

Participants also recommended:

- the search for means to increase the rate of production of management accounts and the effective establishment of Regional Audit Courts for local control of the significant means induced by decentralisation;
- the review of Law n°. 2003/005 of 21 April 2003 to lay down the powers, organisation and functioning of the Audit Bench of the Supreme Court and Law n°. 2006/017 of 29 December 2006 to lay down the organisation, jurisdiction and functioning of the Regional Audit Courts so that the new organic Law of the Audit Bench conforms with the Law on the Code of Transparency and Good Governance, on the one hand, and the Law on the fiscal regime of the State and other Public Entities on the other hand

Paragraph 2: Exchange forum with the SENATE

Concerning the XIVth exchange forum, after the ceremonial phase marked by presentations made by the Vice-President of the Senate, Mr NA'AH ONDOUA Sylvestre and the Acting President of the Audit Bench, the proceedings focused on:

- the presentation of the summary report of the work of the XIIIth exchange forum;
- the presentation on *"the evolution of the Audit Bench's jurisdiction and its impact on the management of Regional and Local Authorities."*

Participants in the forum noted:

- a significant advance in the Audit Bench's powers through the laws on the new fiscal regime of the State and the Code of Transparency and Good Governance of 2018, and the Code of Regional and Local Authorities of 2019;
- the progress in the construction of the Nkozoa Archive Centre at a satisfactory pace;
- the need for the Audit Bench to have sufficient financial resources and functional independence in line with its missions

The participants also recommended the search for means to increase the rate of production of management accounts and the effective establishment of Regional Audit Courts for local control of the significant means induced by decentralisation;

DECISIONS OF THE AUDIT BENCH IN 2020

SINGLE CHAPTER : OPINIONS AND CERTIFICATION REPORTS

In 2020, the Audit Bench delivered its report on the execution of the 2019 Finance Law, its opinion on the Settlement Bill and its certification report on the General Account of the State for the same financial year.

SECTION 1. REPORT ON THE EXECUTION OF THE FINANCE LAW AND THE OPINION ON THE SETTLEMENT BILL OF THE 2019 FINANCIAL YEAR

Paragraph 1. The Report on the execution of the finance Law

RULING

The Audit Bench, deliberating in chambers, adopted the report on the execution of the Finance Law for the 2018 financial year, together with the Opinion of the Audit Bench on the Settlement Bill, a document drawn up according to Section 21 (1) (i) of Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other public entities.

1. Macroeconomic context of the execution of the budget

1.1. International environment

According to the International Monetary Fund³ (IMF), the world economy has slowed down. Its growth rate declined from 3.6% in 2018 to 3.3% in 2019, its slowest pace since the global financial crisis. Advanced countries and emerging economies experienced the same downward trend.

In Africa, the growth rate stood at 3.4% in 2019, about the same as in 2018. Although stable, this rate is below the ten-year average growth rate for the continent (5%). That growth rate hides significant disparities between regions and countries. East Africa maintained itself as the fastest-growing region with an estimated average growth of 5.0% in 2019. North Africa follows with an average growth rate of 4.1%. West Africa recorded a 3.7% growth rate in 2019 from 3.4% the previous year. In Southern Africa, growth slowed down from 1.2% to 0.7%. Central Africa grew by 3.2% in 2019 from 2.7% in 2018.

In the CEMAC zone, the recovery that began the previous year continued, driven by the rise in oil prices, the resilience of the services sector and the relative dynamism of agriculture. As a result, the growth rate was estimated at 2.5% in 2019 compared to 1.7% in 2018.

1.2. The situation of Cameroon's economy

Cameroon's economic context was marked by the persistence of the socio-political and security crises, on the one hand, and the satisfactory implementation of the economic and financial programme concluded with the IMF on the other hand.

³World economic outlook, October 2019, IMF.

In 2019, the national economy lost 0.4 percentage growth points, which stood at 3.7% from 4.1% in 2018. The 4.4% forecast used in the budgetary framework proved too optimistic.

The table below shows the trends in Cameroon's GDP and the general price level over the period 2017-2019 and the average price of a barrel of oil over the same period.

Table 7. Forecasts, actual data and differences

	2017			2018			2019		
	Forecast	Data	Difference	Forecast	Data	Difference	Forecast	Data	Difference
Real GDP Growth Rate %	6.0	3.5	2.5	4.2	4.1	0.1	4.4	3.7	0.7
Inflation rate %	3.0	0.6	2.4	2.0	1.1	0.9	3.0	2.5	0.5
Average price per barrel USD	/	53	/	/	72	/	/	59.2	/

Sources:

- *INS, Les comptes nationaux de 2019, août 2020 ;*
 - *African Economic Outlook 2020, AfDB;*
 - *World Bank Global commodity-Price prospects 2019;*
 - *Études économiques COFACE, février 2020 ;*
- GDP : Gross domestic product; USD : United States Dollar.*

On other macroeconomic indicators, the inflation rate increased from 1.1% in 2018 to 2.5% in 2019 but remained below the CEMAC standard of 3%. The fiscal deficit continued to decline (3.8% of GDP in 2017, 2.5% in 2018 and 2.3% in 2019). This deficit is due to fiscal consolidation under the three-year programme with the IMF (2017-2019). The current account deficit is estimated in 2019 at the same level as in 2018 (3.7% of GDP), as the country cannot lower its imports.



The table below summarises the performance of each sector of activity in Cameroon's economic growth in 2019.

Table 8. Growth by sector and detailed structure of the GDP of Cameroon in 2019

Distribution of economic activity by sector	Primary sector	Secondary sector	Tertiary sector
Added value (annual growth in %)	2.8	4.9	3.0
Added value (% of GDP)	14.51	26.04	51.5
Employment (in % of total employment)	43.4	15.0	41.6

Source: *INS, Les comptes nationaux de 2019, août 2020 ; Banque mondiale, données 2019.*

Through out 2019, Cameroon's economy can be summarised as follows:

Strong points	Weak points
	
<input type="checkbox"/> Diversified economy compared to that of other countries in the subregion;	<input type="checkbox"/> Increased political risk : resurgence of insecurity in the Far North and persistent socio-political unrest in the North-West and South-West regions;
<input type="checkbox"/> Satisfactory implementation of the terms of the economic and financial agreement with the International Monetary Fund;	<input type="checkbox"/> Foreign and public accounts dependent on oil and gas;
<input type="checkbox"/> Multiplier effects of ongoing infrastructure upgrades;	<input type="checkbox"/> Foreign and public accounts dependent on oil and gas;
<input type="checkbox"/> Fast growing energy sector: prospects for reducing the energy deficit;	<input type="checkbox"/> Stable poverty rates reflecting a low and not very inclusive economic growth;
<input type="checkbox"/> Increased agricultural, oil and mining production.	<input type="checkbox"/> Unfavourable business climate;
	<input type="checkbox"/> Banking sector weakened by SONARA's credit risk

2. Presentation of the Settlement Bill

The review of the 2019 Settlement Bill calls for observations on three aspects:

- the date of its transmission;
- the form;
- the substance.

2.1. Transmission of the Settlement Bill to the Audit Bench

The legal regime for this aspect is based on two legal provisions. Section 61 (2) of Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other public entities and Section 39 (c) of Law N°. 2006/016 of 29 December 2006 to lay down the organisation and functioning of the Supreme Court.

Two observations emerge from the interpretation of these instruments:

- The Settlement Bill and its appendices must be tabled to the bureau of Parliament not later than 30 September of the year following the financial year to which it relates;
- The opinion of the Audit Bench on this Settlement Bill is part of its accompanying documents.

However, since the review of the 2013 Settlement Bill, the Audit Bench and the Ministry of Finance agreed that the Settlement Bill should reach the Audit Institution by 31 August latest, a minimum of 30 days, to take into account the time required for its review.

In this case, the 2019 Settlement Bill reached the Audit Bench on 1 October 2020, 31 days after the agreed date.

Table 9. Variation between the date of transmission and the agreed date of 31 August

Financial year	Date of transmission to the AB	Observations
2016	20 September 2017	20 days after
2017	31 August 2018	Within the agreed period
2018	24 September 2019	24 days after
2019	1 October 2020	31 days after

The Audit Bench notes that, like in the 2018 financial year, the 2019 Settlement Bill did not reach it within the agreed deadline of 31 August.

The Ministry of Finance explains this delay resulted from the work carried out to cover all the expenses executed without prior orders and by cash advances. However, it committed himself to strictly respect the agreed deadline from the 2020 financial year.

The Audit Bench points out that the regularisation of expenditures executed without prior authorisation and by cash advances is an end-of-year operation. For this reason, it should not impact the agreed deadline for the transmission of the SB.

2.2. Form and content of the Settlement Bill

The form and content of the Settlement Bill for the 2019 financial year are defined by sections 20 and 21 of Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other public entities, which provide that:

The 2019 Settlement Bill transmitted by Letter N°. 020/00006378/MINFI/SG/DGTCFM/DCP of 1 October 2020 from the Minister of Finance is accompanied by:

- 1) the French version of the Settlement Bill of the 2019 Financial Year;
- 2) The appendices to the Settlement Bill of the 2019 financial year:
 - Appendix 1: Budget execution and budget deficit financing;
 - Appendix 2 and 3: Situation of outstanding collections and outstanding payments;
 - Appendix 4: Status of Special Appropriation Accounts;
 - Appendix 5: General Account of the State on 31/12/2019;
 - Appendix 6: Streamlining and making more reliable the balance of the Treasury accounts;
 - Appendix 7: Implementation of the State's accounting reform;
 - Appendix 8: State funding for regional and local authorities in the 2018 financial year;
 - Appendix 9: Public Finance Scoreboard;
 - Appendix of PIB: Sources: interim report on the execution of the 2019 PIB
 - Appendix of PIB: Status of execution of externally financed projects

However, the Annual Performance Reports of Government services were submitted late. Concerning the explanatory appendices detailing the operations carried out by the Ministry of Finance for each loan and guarantee account, the Ministry of Finance promised to provide explanatory appendices detailing the operations carried out for each loan and guarantee account as from the 2020 Settlement Bill.

3. Execution of the 2019 Budget

3.1. Budget balance

3.1.1. Accuracy of budget forecasts

Under Section 4 (1) of Law n°. 2018/012 of 11 July 2018 on the Fiscal Regime of the State and other Public Entities, "*the budget describes the resources and expenses of the State authorised by the Finance Law, in the form of revenues and expenditures, within the framework of a fiscal year.*"

The sincerity of the budget forecast in the Initial Finance Law, which prescribes the accuracy of the estimate of resources and expenditures, shall be assessed considering the information available at the time of the drafting of the Finance Law and the forecasts which may reasonably ensue.

The Analysis of economic assumptions on which the 2019 Finance Law was established and their actual evolution during the same year shows that the sincerity of the budget forecasts is not in question.

3.1.1.1. EVOLUTION OF THE BUDGET BALANCE FROM 2009 TO THE 2018 FINANCIAL YEAR AND CHANGE IN ITS CALCULATION IN 2019

Until the 2018 financial year, the budgetary balance in the Settlement Bill represented the difference between the revenue generated (revenue collected) and the expenditure authorised, as illustrated in the table below:

Table 10. Evolution in the budgetary balance from the 2009 to 2018 financial years

Financial year	Revenue generated	Expenditure authorised	Budget balance
2009 Settlement Bill	2,093,925,888,514	2,041,591,207,044	52,334,681,470
2010 Settlement Bill	2,340,351,834,587	2,332,470,662,771	7,881,171,816
2011 Settlement Bill	2,531,754,050,964	2,454,250,747,633	77,503,303,331
2012 Settlement Bill	2,751,116,362,685	2,724,823,831,702	26,292,530,983
2013 Settlement Bill	3,022,907,925,888	2,974,552,242,606	48,335,683,282
2014 Settlement Bill	3,384,712,900,000	3,277,297,600,000	107,403,383,502
2015 Settlement Bill	3,911,019,100,000	3,819,717,700,000	91,301,450,852

2016 Settlement Bill	3,967,458,537,774	4,021,791,897,587	-54,333,359,813
2017 Settlement Bill	4,529,703,498, 754	4,229,422,648, 056	300,280,850, 698
2018 Settlement Bill	4,909,518,700,140	4,809,688,885,393	99,829,814,747

Sources: Settlement Bills

In 2019, unlike previous years, which were governed by Law n°. 2007/006 of 26 December 2007 relating to the Fiscal Regime of the State, the budgetary balance was calculated on the basis of Section 25 and 28 of Law n°. 2018/012 of 11 July 2018, which determine the categories of State revenue and expenditure that enter into its calculation.

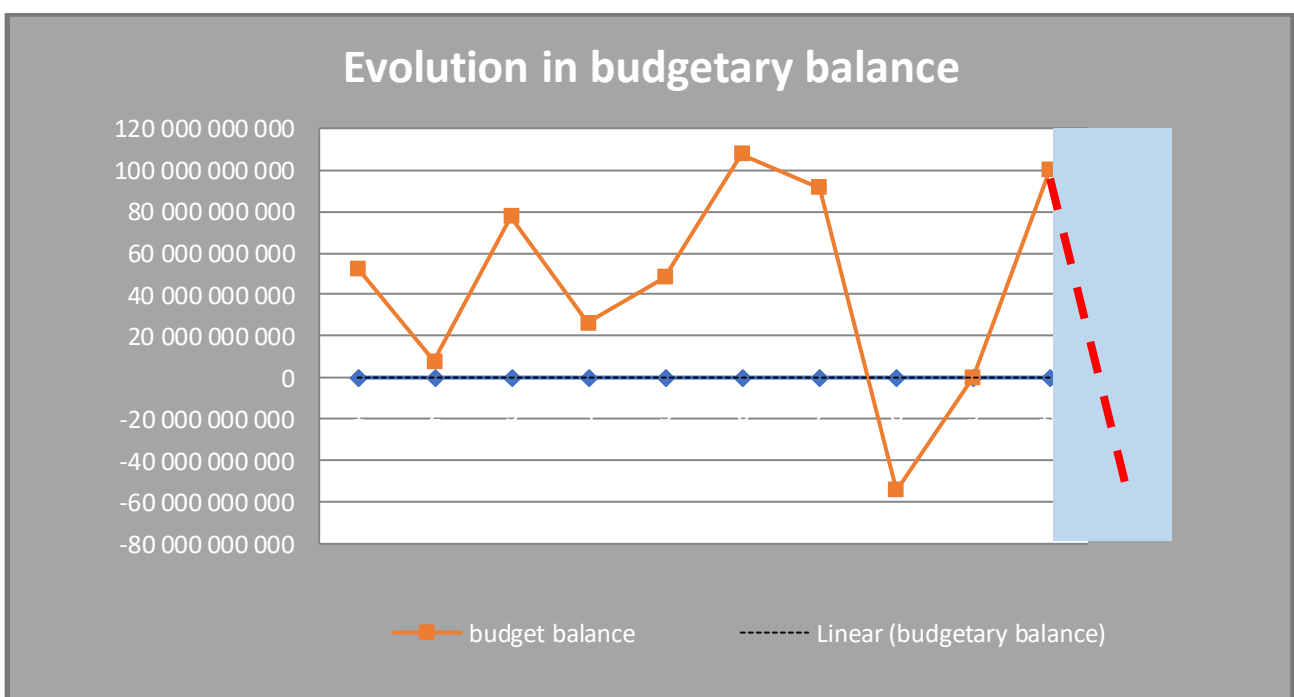
This balance no longer considers the repayment of VAT credits and loans as far as revenue is concerned. On the expenditure side, it includes only current capital and non-capital expenditure as shown in the table below:

Table 11: Execution of budgetary revenues and expenditures

Revenue	Execution	Expenditure	Execution	Balance
Net Internal Revenue	3,451,205,369, 195	Current expenses	2,883,642,788, 510	
Donations	133,306,627, 411	Capital expenditure	1,462,983,463, 118	
Exceptional revenues	0	Other Expenses	19,800,000, 000	
Total	3,584,511,996, 606	Total	4,346,626,251, 628	-762,114,255, 022

The chart below shows the trends in the budget balance from 2009 to 2019:

Chart 3: Evolution in budgetary balance from 2009 to 2019



The restatements that reduce generated revenue from CFAF 4,974,607,093,100 to CFAF 3,584,511,996,606 and authorised expenditures from CFAF 5,156,016,607,127 to CFAF 4,346,626,251,628 are not explained in the Settlement Bill

While noting that the basis for calculating the budget balance was changed in 2019, the Audit Bench wished to have an explanatory note on this change in methods.

In his explanatory note, the Ministry of Finance attributed the change in method observed to the implementation, since 2019, of Law n°. 2018/012 of 11 July 2018. This law incorporated CEMAC directives on the harmonised public financial management framework into domestic Law.

However, in future, details of each item of expenditure used to calculate the budgetary balance should be submitted to the Audit Bench. This is the case for the budgetary revenue set out in Section 4 of the SB.

The budget execution for the 2019 financial year shows that the authorised expenditure was higher than the revenue generated, hence a budgetary balance of CFAF -762,114,255,022 against CFAF 99,829,814,747 in 2018 and CFAF 300,280,850,698 in 2017.

3.1.1.2. Overall execution rate of revenue and expenditure for the 2019 financial year

The overall revenue execution rate compared to forecasts amounts to 93.20 %, while the execution rate of budgetary expenditure stands at 97.13 %, as shown in the table below:

Table 12. Execution of revenues compared to forecast

Revenue	Forecasts	Execution	Rate	Expenditure	Forecasts	Execution	Rate
Net Internal Revenue	3,746,000,000, 000	3,451,205,369, 195		Current expenses	2,973,326,395, 144	2,883,642,788, 510	
Donations	100,000,000, 000	133,306,627, 411		Capital expenditure	1,501,662,539, 841	1,462,983,463, 118	
Exceptional revenues	0	0		Other Expenses	27,000,000, 000	19,800,000, 000	
Total	3,846,000,000, 000	3,584,511,996, 606	93.20 %	Total	4 474,988,934,985	4,346,626,251, 628	97.13 %

Trends in the revenue execution rate and the rate of authorisations from 2009 to 2019 are as follows :

Table 13. Trends in the revenue execution rate and the authorisation rate from 2009 to 2019

Financial year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Execution rate of revenue (%)	91	92.8	98.5	98.3	93.41	102.2	97.96	93.69	100.56	100.48	93.20

Authorisation Rate (%)	88.7	92.5	95.5	97.3	91.92	98.95	95.67	94.97	96.70	98.43	97.13
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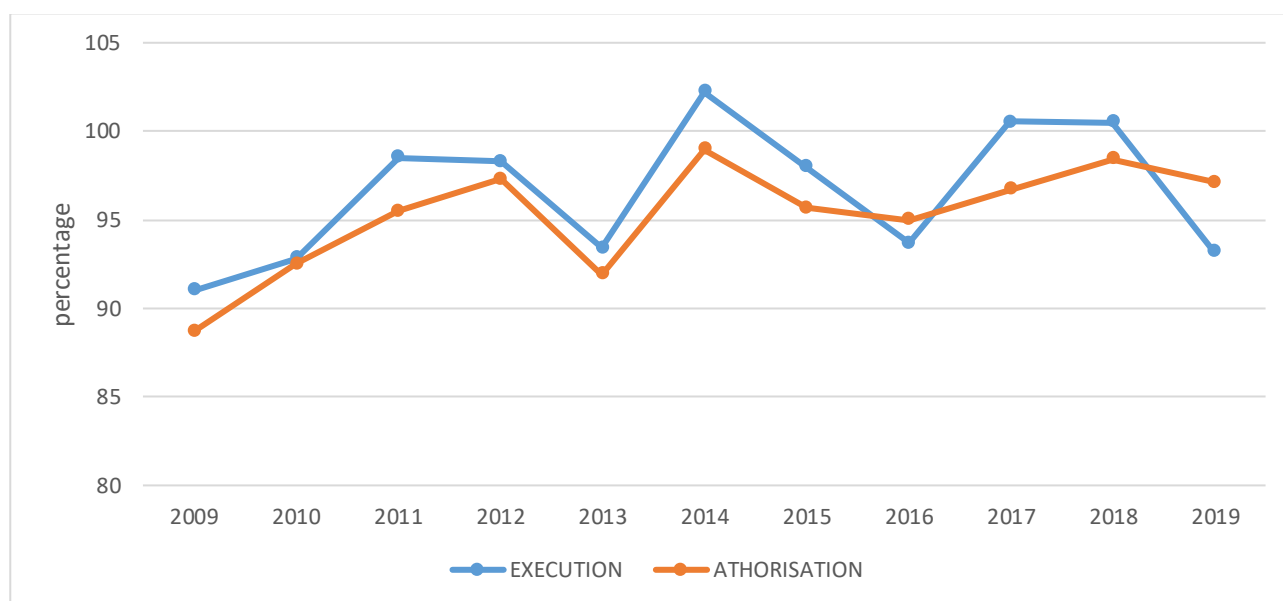
Sources: 2009 to 2019 Settlement Bills

The budget revenue execution rate is down by 7.28 points compared to 2018.

On the expenditure side, the authorisation rate is also down by 1.3 percentage points compared to 2018.

Since 2009, except for the 2016 and the 2019 financial years, the revenue execution rate has been higher than the authorisations rate, as shown in the chart below:

Chart 4: Trends in the revenue execution rate and the authorisation rate from 2009 to 2019



3.1.2. Sincerity of the Settlement Bill

The principle of sincerity applied to the Settlement Bill concerns the accuracy of accounts. The public accountants responsible for keeping and drawing up State accounts must ensure that the principles and rules of public accounting and notably the sincerity of accounting entries and procedures are respected.

3.1.2.1. Determining outstanding collections and outstanding payments

Section 21 (1) (g) of Law N°. 2018/012 of 11 July 2018 on the Financial Regime of the State and Other Public Entities provides that, *“a statement on outstanding payments and outstanding collections from the State, accompanied by a report indicating the measures envisaged controlling these outstanding payments and outstanding collections shall be attached to the Settlement Bill...”*

The Settlement Bill of the 2019 financial year deals with outstanding payments in Appendices II and III.

These appendices contain two (2) tables.

The first sets out the status of the total revenue for the year and determines the deviations from budget estimates. This table shows the following findings:

- the execution rate of own-source revenues of 51 % is dependent on the tax revenues executed at 88.16 %;
- Loans were executed at 89.35 %.

The second table shows issuances, collections and outstanding collections from tax, Customs and Lands revenues, clearance vouchers and other tax debts of 2019 and the previous financial years by region.

3.1.2.1.1. Outstanding collections

The Settlement Bill shows the breakdown of outstanding collections by nature.

Table 14. Trends in outstanding collections in relation to own-source revenue

	2017	2018	2019
Outstanding collections (cumulated)	1,176,882,420, 008	1,202, 282,488,421	1 498,892,568 165
Own-source revenue generated	3,131,616,860, 000	3,436, 153,862,825	3,650,514,026, 071
Ratio (Outstanding collections/own-source revenue)	37.58 %	34.98 %	41.06 %

Sources: 2017, 2018 and 2019 Settlement Bills.

The accumulated outstanding collections to own-source income ratio increased from 34.98 % in 2018 to 41.06 % in 2019.

The Ministry of Finance's commitment in 2016 during the 2015 Settlement Bill review to "*boost the clearance of the outstanding collections*" and set up a commission for the clearance of outstanding collections has not yet given the expected results. There is always a considerable increase in the amounts to be recovered and their proportion in relation to own-source revenue.

3.1.2.2. Carry-over in the opening balance of the 2019 financial year of the closing balances of the 2018 financial year

Article 17 of the CEMAC Guidelines N°. 03/11-UEAC-195-CM-22 of 19 December 2011 on State Accounting Plan states that, "*the general accounting of the State shall respect the principle of the intangibility of the opening balance sheet: the detailed opening balance sheet for a financial year must correspond exactly to the detailed balance sheet at the end of the previous financial year.*"

The trial balance provides the balances of the balance sheet accounts. However, some accounts of the closing balance of the 2018 financial year have not been correctly carried

over in the opening balance of the 2019 financial year. The table below illustrates some of these balances.

Table 15. Balances of some accounts of the 2018 financial year erroneously carried over in 2019

Account	Description	2018 closing balance		2019 opening balance	
		Debit	Credit	Debit	Credit
1503	Emp. sect. multilateral lmt		723,932,152, 511		722,077,612,843
1601	Emp LMT fin inst domestic banking system		273,492,163, 782		124,814,819,700
39000	Difference on opening balance	5,809,588,528, 055		6,695,791,469,740	
39010	Cancellation of prescribed security		80,700,167, 821		0
39020	Cancellations of unjustified entries		405,413,942, 484	78,626, 76	0
39031	Exceptional repeat BEC below PPTE/IADM	161,340, 584		3,000,000	
40000313	Expenditure on staff pension 2013		1,158,713, 307		3,139,388,997
400009014	Purchase voucher - functioning 2014		1,547,672, 828		1,558,203,659
400009016	Purchase voucher - functioning 2016		3,288,718, 050		3,239,518,355
400009114	Purchase voucher - investment 2014		15,323, 469		34,901,274
400009115	Purchase voucher - investment 2015		1,113,543, 814		1,358,022,476
400009216	Purchase voucher - other expenditure on staff 2016		103,924,202		132,964, 202
400009217	Purchase voucher - other expenditure on staff 2017		179,785, 045		178 655 045
420	Financial services of PAE		469,403,460, 245		494 065 088 988
470412	Sundry deposits from accounting posts abroad		7,787,594, 804		7 747 637 481
5115001	Rejection of cheque file	4 778 071 470		4 246 293 940	
5151	Other current accounts of accounting posts abroad	10,284,235, 834		11,188,518,773	
5812	Movements of funds between accountants	293,142,290,439		296,885,305,903	

Source: 2018 and 2019 trial balances

The Ministry of Finance attributed this poor carry-over to the late integration of accounts of accounting posts abroad. These generally arrive after the final balance has been sent to the Audit Bench for its opinion.

This explanation is not convincing because on the one hand, the accountants of the posts abroad, who are under the authority of the Ministry of Finance, are subject to a ten-day

accounting system. In addition, the three (3) months after the complementary period should be used to close the accounts for the financial year and produce a final balance.

Consequently, the Ministry of Finance's proposal to send two balances, the first of which is provisional, is not appropriate.

3.1.2.3. Transactions imputed on provisional accounts as revenue and expenditure in the 2019 financial year and not settled before the end of the said financial year.

Treasury Instruction n°. 003/006I/MINFI/DT/DER of 31 December 2003 prescribes that: *"the accounts of the provisional imputation must be compiled and adjusted during the supplementary day. The supplementary day covers the period reserved for adjustment of operations that do not especially affect cash accounts (cash, bank, CCP):*

- *Take-over of revenue and expenditure for the ended financial year;*
- *Reception of Statements of Operations to be Transferred (EDOT);*
- *The clearance of provisional allocation accounts, third-party accounts, correspondent councils, rejections, etc.*

During this period, the above transactions are backdated to 31 December. Therefore, they will close on 31 January of the current year in the Sundry Operations Ledger (SOL)".

The General Instruction reaffirms this position on State Accounting of April 2009. However, the revenue to be adjusted for CFAF 3,900,440,983 established in 2019 was not cleared before the end of that year.

Most of the expenditures to be regularised in the 2019 financial year were cleared except for expenditures rejected (481,119), which had a closing balance of CFAF 41,612,657.

It should be noted that the expenditures to be regularised and charged to the provisional accounts of previous years in the amount of CFAF 634,525,046,482, which is the subject of recurrent observations of the Audit Bench, was cleared following instruction N°. 19/012/I/MINFI/SG/DGTCFM/CLC of 27 February 2019 of the Director General of the Treasury, Financial and Monetary Co-operation

3.1.2.4. Analysis of the budget balance;

For the 2019 financial year, the budgetary balance established by the Settlement Bill transmitted to the Audit Bench and calculated by the difference between cash receipts (CFAF 3,584,511,996,606) and authorisations (CFAF 4,346,626,251,628) is in surplus by CFAF 762,114,255,022.

Considering the unadjusted revenue of CFAF 4,703,547,983 and the unadjusted expenditure of CFAF 41,612,657, the budget balance would be in deficit by CFAF 757,452,319,696.

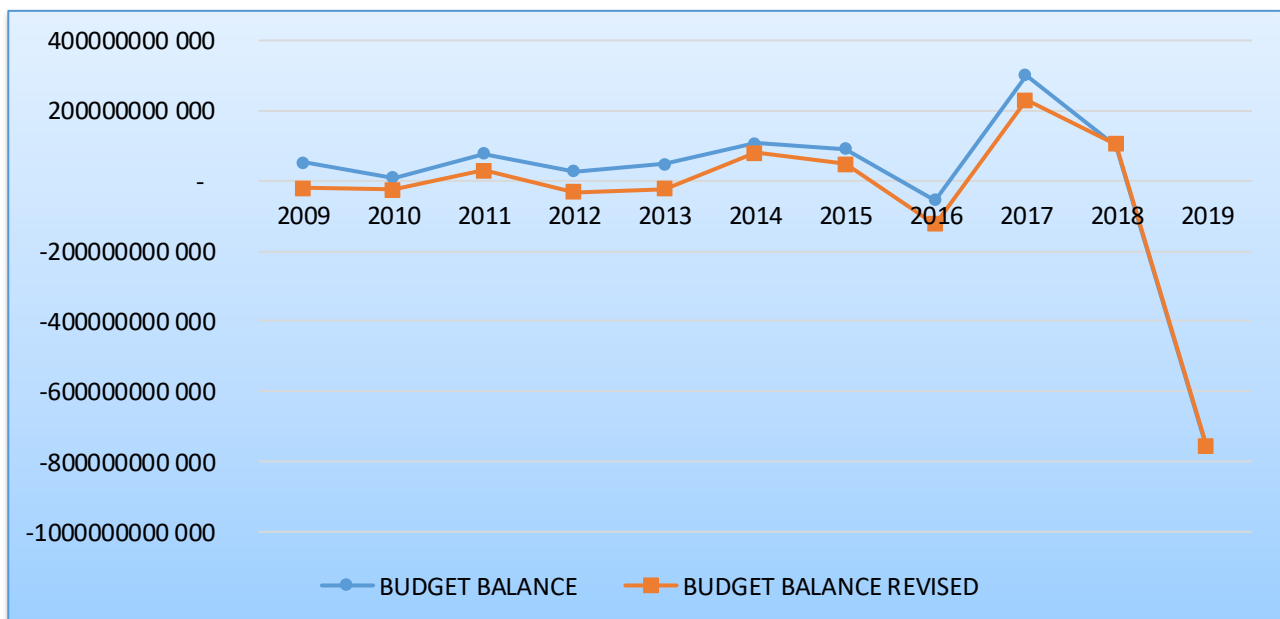
The following table shows the trends in budgetary balances and revised budgetary balances since 2009.

Table 16. Evolution in budgetary balances since the 2009 financial year

Financial year	Budget balances according to MINFI	Budgetary balances revised by the Audit Bench
2009	52,334,681,470	-20,068,511,913
2010	7,881,171,816	-24,899,842,916
2011	77,503,303,331	28,553,739,658
2012	26,292,530,983	-33,259,645,732
2013	48,355,683,282	-24,083,707,344
2014	107,403,383,502	79,925,213,201
2015	91,301,450,852	47,666,907,333
2016	-54,333,359,813	-124,129,759,948
2017	300,280,850,698	230,725,015,785
2018	99,829,814,747	103,729,409,612
2019	-762,114,255,022	-757,452,319,696

Sources: 2009 to 2019 Settlement Bills

Chart 5: Trends in budgetary balances since the 2009 financial year



3.1.2.5. The use of accounts 45 “Deposits by administrations”

The advantage of using accounts 45 is to ensure the availability of specific resources of administrations while keeping them in the Treasury circuit.

However, the generalisation of deposit accounts undermines certain cardinal principles of public finance, notably:

- the principle of service rendered, in that, budgetary allocations are transformed into managed deposits as advance funds and thus support the payment of expenditure before services, which puts their regularity in question;
- the principle of budget annuality, since the transformation of budgetary allocations into deposits simulates consumption, while their use beyond the year violates the principle and conceals under-execution

Moreover, some administrations have overspent in favour of these deposit accounts.

Commitments for better use of accounts 45 had been made by the Ministry of Finance, which indicates that, as the work of consolidating these accounts continues, accounts 450 “*Deposits of administrations*” that were previously opened for administrations that did not generate their own resources have been systematically closed.

The balance of the said accounts decreased from CFAF 70,443,648,516 in 2018 to CFAF 60,176,103,110 in 2019.

It is desirable that efforts to consolidate these accounts continue.

3.2. Execution of State resources

3.2.1. Distribution of Resources in the Settlement Bill

Section 2 of the 2019 Settlement Bill transmitted to the Audit Bench provides that, “*The final amount of State resources for the 2019 financial year is closed at CFAF 703,498,754*” These resources have a 91.65% execution rate. They increased by CFAF 65,088,392,960, or 1.32% compared to 2018. These resources are broken down as follows:

Table 17. Breakdown of resources in the Settlement Bill

Description	Amended Budget	Final authorisations	Execution	Rate of collection (%)	Proportion (%)
1.Own-source revenue	3,730,000,000,000	3,946,000,000, 000	3,650,514,026, 071	92.51	73.38
Fiscal revenue	2,924,000,000, 000	3,140,000,000, 000	2,768,299,801, 967	88.16	55.65
Donations, support funds, and legacies	100,000,000, 000	100,000,000, 000	133,306,627, 411	133.31	2.68
Social security contributions	65,048,000, 000	65,048,000, 000	48,522,786, 100	74.6	0.97

Other revenues	640,952,000, 000	640,952,000, 000	700,384,810, 593	109.27	14.08
2.Loans	1,482,000,000, 000	1,482,000,000, 000	1,324,093,067, 029	89.35	26.62
Grand total of Resources (1 + 2)	5,212,000,000, 000	5,428,000,000, 000	4,974,607,093, 100	91.65	100

Sources: 2019 Settlement Bill

In general, the execution of budgetary resources was close to the forecasts, with a rate of 91.65%. Own-source revenue accounts for 73.38% of total resources. However, tax revenues, which constitute the most important category of resources in the State budget, recorded an execution rate far from the forecasts, i.e. 55.65%.

3.2.2. Evolution by type of revenue from 2017 to 2019

3.2.2.1. Own-source revenues

Own-source revenues include:

- fiscal revenue
- donations, support funds, and legacies
- social security contributions
- other revenues

3.2.2.1.1. Fiscal revenues

The execution of fiscal revenue is summarised in the following table:

Table 18. Execution of fiscal revenue (in millions CFAF)

Head	Description	Execution			Execution rate (%)		
		2017	2018	2019	2017	2018	2019
721	Income tax on natural persons	241,542.39	289,041.47	275,340.45	106.9	100.00	94.42
723	Tax on profits of non-oil companies	319,500.15	354,933.75	344,409.56	90	97.24	95.67
724	Income tax on persons domiciled out of Cameroon	62,806.35	67,808.98	91,879.43	75.67	100.00	135.12
728	Tax on transfers, registrations and transactions	54,092.84	54,929.51	62,444.96	98.31	99.99	103.47
730	Value added tax and turnover tax	1,048,485.8	1,048,485.77	1,133,689.48	104.7	101.09	80.60
731	Taxes on specific goods and excise duty	327,007.96	330,176.62	370,585.14	97.38	100.00	98.04
732	Taxes on specific services	3,880.86	3,981.16	4,263.26	118.7	100.00	80.74
733	Taxes on the right to exercise a professional activity	11,241.17	10,748.56	9,683.05	98.69	100.00	78.92
734	Taxes on permission to use goods or perform activities	54.13	194.13	202.30	180.6	100.00	

735	Other taxes on goods and services	10,590.01	7,829.84	10,470.55	97.74	100.04	113.81
736	Duties and import taxes	375,550.35	368,836.64	360,691.61	100.7	98.39	78.40
737	Duties and export taxes and other taxes on foreign trade.	22,653.51	36,581.26	31,798.84	88.08	100.00	104.86
738	Registration and stamp duties	47,449.56	53,955.65	56,742.43	123.5	100.00	99.03
739	Other dues and taxes not indicated elsewhere:		4,337.50	16,098.73		100.00	1,609.87
Total		2,524,855.09	2,744,426.27	2,768,299.80	100.23	100.68	88.16
Variation (in %)			08.71	0.87		0.45	-12.52

Sources: 2017, 2018 and 2019 Settlement Bills.

The tax revenue collected at the end of the 2019 financial year amounts to CFA F 2,768 299 billion. It rose by CFAF 23 873 billion CFAF, a growth rate of 0,87 % compared to the 2018 financial year.

3.2.2.1.2. Donations, support funds, and legacies

Donations, support funds, and legacies consist mainly of exceptional donations from international co-operation (account 769). Their execution rate was CFAF 66946 billion in 2017, CFAF 48138 billion in 2018 and CFAF 133306 billion in 2019, with the respective execution rates of 78.3%, 100% and 133.81%.

3.2.2.1.3. Social security contributions

Social contributions (account 761) were executed at CFAF 45783 billion, CFAF 48132 billion, and CFAF 48522 billion in 2017, 2018 and 2019. Their execution rate was 83.24% in 2017, 100% in 2018 and 74.60% in 2019.

3.2.2.1.4. Collection of other revenue

Collection of other revenue evolved as follows:

Table 19. Execution of other revenue (in millions of CFAF)

Head	Description	Execution (in millions of CFA francs)			Collection rate (%)		
		2017	2018	2019	2017	2018	2019
710	Administrative fees and charges	5150.23	23,164.10	11,173.56	35.15	100.00	52.78
714	Accessory sale of goods	67.75	47.37	206.23	85.76	100.00	239.80
716	Sale of services	16,084.41	14,323.91	12,368.66	81.97	100.00	42.29
719	Rent for buildings and land revenue	3,479.11	5,977.78	4,092.75	82.84	635.32	89.89
741	Oil sector revenue	413,795.45	561,815.76	619,549.40	83.58	99.06	116.68
745	Financial services to be collected	119,165.7	33,524.69	49,535.87	349.46	99.98	92.82
771	Fines and condemnations	3,235.99	4,741.78	3,458.33	228.69	100.00	225.45

Total	560,978.64	643,595.38	700,384.81	98.56	104.40	109.27
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Sources: 2017, 2018 and 2019 Settlement Bills.

The execution of other revenue is constantly growing. In 2019, the most remarkable execution rates were observed on accessory sales of goods (239.8%), revenue from the oil sector (116.68%) and fines and condemnations (225.45%).

3.2.2.2. Loans

The collection of loans is presented in the following table:

Table 20. Collection of loans (in millions CFAF)

Head	Description	Execution			Execution rate (%)		
		2017	2018	2019	2017	2018	2019
150	Drawings on direct multilateral foreign loans	457,340	279,239.00	196,232.83	445.5	100.00	79.96
151	Drawings on direct bilateral foreign loans	514,750	213,585.00	565,586.76	140.8	100.00	126.98
152	Budget support		369,505.00	228,058.47		100.00	63.70
153	Drawings on loans from private external bodies	119,680	260,897.00	0	102.4	100.00	0
161	Issuance of Treasury bonds above two years	239,370	302,000.00	334,215	42.74	100.00	88.65
	Total	1,398,086.64	1,463,364.84	1,324,093.07	116.25%	100%	89.35%

Source: 2017, 2018 and 2019 Settlement Bills.

Although the execution of loans remained moderate, it was noted that drawings on direct foreign bilateral loans exceeded authorisations (126.98%).

While noting the relevance of this observation, the Ministry of Finance undertakes to systematically make adjustments during the year. For this reason, he will issue supplementary appropriation laws through finance laws amendments, orders or advance appropriation decrees.

3.2.3. Estimation of resources

As part of the 2019 Finance Law implementation, some resources experienced higher than expected collections. Sometimes, these collections exceeded twice or thrice the projected amounts, which indicates that the potential of some State resources, such as those shown in the table below, is underestimated, reflecting unrealistic forecasts.

Table 21. Higher than expected collections

Accounts	Description	Forecasts (millions of CFA francs)	Execution (millions of CFA francs)	Collection rate (%)
151	Drawings on direct bilateral foreign loans	445,427	565,586	127
714	Accessory sale of goods	86	206	240
724	Income tax on persons domiciled out of Cameroon	68,000	91,879	135
739	Other dues and taxes not indicated elsewhere	1,000	16,099	1,610
769	Exceptional grants from international co-operation	100,000	133,307	133
771	Fines and condemnations	1,534	3,458	225

The Ministry of Finance, noting the relevance of this observation, is committed to respecting the principle of sincerity of budget estimates to increase revenue performance.

3.2.4. Reliability of information on the collection of some revenue

The following table summarises some revenue for which the collection is abnormally low.

Table 22. Abnormally low revenues in 2019

Accounts	Item	Amount of the collections in the Trial Balance (in CFAF)
7105	Fees for examinations and competitive examinations	23,000
7109	Tuition fees in training schools	215,250
7116	Fees for issuance of vehicle registration certificates	20,000
7111	Fees for registration and training	221,000
7119	Fees for issuance of vehicle registration certificates	164,500
7120	Fees for issuance of taxpayer cards	251,057
7146	Sales of farm products	70,000
7151	Revenue from the sale of petroleum products	534,000
7175	Revenue from cultural shows	2,000
7176	Revenue from Youth and Animation Centres	505,000
7184	Collection of health expenses and essential drugs	980,000
7185	Mortuary fees	502,600
7186	Revenue from the National Rehabilitation Centre	32,000
7189	Vehicle Inspection fees	374,300
7211	General income tax on natural persons	311,137

7232	Tax on petroleum companies	714,041
7384	Stamps duty on driving licences	455,000
7454	Interest from other securities	30,000

Source: Audit Bench from the 2019 Trial balance of accounts

Notwithstanding the improvement work announced by the Ministry of Finance during the 2018 Settlement Bill review for more sincerity in the forecast of the revenues considered, the Audit Bench notes that the communicated amounts remain abnormally low. This indicates that the related financial information is not reliable.

While noting the relevance of this observation, the Ministry of Finance committed himself to consolidating the measures taken to secure the revenue circuit, which will make it possible to increase revenue performance.

3.2.5. Outstanding collections by type of title issued for the year 2019.

The table below shows the situation of outstanding collections by type of securities issued, in particular: Recovery Notices (RN), Customs Clearance Vouchers (CCV), Land Titles, Revenue Clearance Vouchers (RCV), and other tax debts.

Table 23. The situation of outstanding collections

Nature of operations (in millions CFAF)	Previous outstanding collections (1)	Issuance 2019 (2)	Total (1) + (2)	Collections 2 019	Outstanding collections at the end of December 2019
Recovery Notices (taxes)	980,041.69	417,769.22	1,397,810.91	142,459.51	1,152,550.77
Customs Clearance Vouchers (Customs)	218,014.07	1,001,509.75	1,219,523.83	873,330.67	346,193.16
Land titles (revenue from State lands) 9.02	139.17	3,912.68	4,051.85	3,943.63	106.86
Revenue Clearance Vouchers	0	0	0	0	0
Other tax debts	4, 55,087	269,239.01	273,326.56	269,238.56	41.77
Total	1,202,282.49	1,692,430.66	2,894,713.15	1,288,972.36	1,498,892.57

Source: 2019, Settlement Bills (appendices 2 and 3)

The total amount of the accumulated outstanding collections (OC) at the end of 2019 was CFAF 1,498.89 billion. It is up by CFAF 296.61 billion compared to CFAF 1,202,282 billion in 2018, or a rate of 24.67%. The State's cumulative claims on third parties are 1.17 times higher than the revenue collected.

This could result from a lack of due diligence in the collection of debt securities issued.

The Ministry of Finance reports that the majority of these claims are not real because of their age and that a process of writing off irrecoverable amounts is underway to switch to accrual

accounting on 1 January 2022. However, it does not provide any information on the amount of doubtful receivables.

3.2.5.1 Evolution in outstanding collections by type of security issued

The table below summarises the amounts of outstanding collections recorded from 2016 to 2019 and their trends:

Table 24. Evolution in outstanding collections from 2016 to 2019

Category of securities	Recorded outstanding collections (millions of CFA francs)				Evolution					
	2016	2017	2018	2019	2016 to 2017		2017 to 2018		2018 to 2019	
					Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
Recovery Notice (taxes)	55,026.91	52,334.77	108,047.13	298,554.2	-2,692.14	-4.89	55,712.36	106.45	190,507.0	176.32
Customs Clearance Vouchers (Customs)	0	2,656.9	0	128,179.1	2,656.9	0	-2,656.9	-100.00	128,179.1	0
Land titles (revenue from State lands)	6.33	0	98.78		-6.33	-100.00	98.78	0	-98.78	-100
Revenue Clearance Vouchers	0	0	0		0	0	0	0	0	0
Other tax debts	0	0	0	0.45	0	0	0	0	0.45	0
Total	55,033.23	54,991.67	108,145.91	426,733.7	-41.56	-0.07%	53,154.24	96.66	318,587.8	294.59

Sources: Audit Bench, from the 2019 Settlement Bill

Outstanding collections have been increasing since 2017. Their growth rate increased from 96.66% between 2017 and 2018 to 294.59% between 2018 and 2019. Recovery notices (taxes) are the category of securities issued with the highest growth rate from year to year (-42,57 %, 3,61%, 182,43 %). Paradoxically, Customs clearance vouchers (Customs), the category of securities issued with decreasing outstanding collections from year to year since 2016, recorded a strong increase in 2019.

3.2.5.2. Cumulation of outstanding collections by type of security issued

The table below shows the accumulated outstanding collections by type of security issued from 2016 to 2019.

Table 25. Cumulation of outstanding collections

Category of securities	Cumulative amounts of outstanding collections at the end of the year (millions of CFA francs)				Evolution					
	2016	2017	2018	2019	2016/2017		2017/2018		2018/2019	
					Amount	Rate	Amount	Rate (%)	Amount	Rate (%)
Recovery Notice (taxes)	971,142.92	947,822.18	980,041.70	1,152,550.77	-23,320.74	-2.40	32,219.52	3.40	10,172,509	17.60

Customs Clearance Vouchers (Customs)	218,357.18	224,953.16	218,014.08	346,193.16	6,595.98	3.02	-6,939.08	-3.08	128,179.08	58.79
Land titles (revenue from State lands)	9.02	9.44	0.14	106.86	0.42	4.66	-9.30	-98.52	106.72	76,228
Revenue Clearance Vouchers	0.42	0.00	0.00	0	-0.42	-100.0	0.00	0.00	0	0
Other tax debts	4,097.63	4,097.63	4,087.55	41.77	0.00	0.00	-10.08	-0.2	-4,045.78	-98.98
Total	1,193,607.18	1,176,882.42	1,202,282.49	1,498,892.57	-16,724.76	-1.40	25,400.07	2.16	296,610.08	24.67

Source: Audit Bench, from 2016, 2017, 2018, 2019 Settlement Bill

Over the years, the cumulative amount of outstanding collections increased from 25,400.07 million CFAF between 2017 and 2018 to 296,610.08 million CFAF between 2018 and 2019, representing a growth rate of 2.16% 24.67%, respectively. This increase is mainly due to outstanding collections on Recovery Notices (taxes). These increased from 3.40 % between 2017 and 2018 to 17.60% between 2018 and 2019. However, the accumulated outstanding collections of "other tax debts" had a negative rate of increase between 2017 and 2019.

In the particular case of outstanding collections on "issuance of customs clearance vouchers," the balance of which stands at 346,193.16 million CFA francs at the end of 2019, despite the clarifications made the previous year by the Ministry of Finance, they include outstanding collections before 2013 of 102,000. Seventy-five million CFA francs were paid by way of compensation following the agreements duly concluded between the state of Cameroon and SONARA. As a result, this balance still does not correspond to the exact amount of claims in this category entered in the 2019 fiscal year Settlement Bill. Therefore, this third-party debt is overvalued.

This failure to account for revenue collected by way of compensation alters the State's financial situation. It reflects the failure to comply with the principle of completeness and sincerity of the Settlement Bill.

For the Ministry of Finance, all tax compensations are fully covered by budgetary commitments and have been systematically recorded in the State accounts for the past two years. However, the unaccounted compensation from previous years affects the financial situation.

3.2.6. Reconciliation between the Settlement Bill (SB), the Trial Balance and the Income Statement

3.2.6.1. Difference between the data in the Settlement Bill (SB) and the Income statement

There are discrepancies between the information produced in the Settlement Bill and that provided in the income statement table.

The following table summarises the SB revenues that differ from those in the income statement table.

Table 26. Discrepancies between the amount in the SB and that in the Income Statement (in billions of CFAF)

Revenue	SB	Income statement	Difference
			SB-INSTAT result
710	11.17	6.09	5.08
714	0.21	0.01	0.2
716	12.37	0	12.37
728	62.44	61.37	1.07
745	49.54	23.87	25.67
769	133.3	36.07	97.23
Total	269.03	127.41	141.62

Source: 2019 Settlement Bill and trial balance

The resource flow table provided by the Ministry of Finance does not explain the discrepancies summarised above.

3.2.6.2. Absence of some accounts of the trial balance in the Settlement Bill

The accounts should be included in a comprehensive manner in both the Trial Balance and the Settlement Bill. Unfortunately, this is not the case.

The Audit Bench noted that some accounts in the Trial Balance are not included in the SB and vice versa, as shown in the table below:

Table 27. Accounts of the Trial Balance that are not included in the SB and vice versa

Head	Description	Settlement Bill	Balance
141	Treasury bonds		237,362,988, 909
160	Long- and medium-term domestic loans		73,104,032, 234
161	Issuance of Treasury bonds above two years	334,215,000, 000	
171	Guaranteed debts		8,872,000, 000
754	Transfer of fixed assets		155,520, 239
781	Regulated productions		2,733, 858

Source: 2019 Settlement Bill and 2019 trial balance.

The resource flow table provided by the Ministry of Finance does not justify the discrepancies noted above.

In his explanations, the Ministry of Finance indicated that treasury bills of more than one year are identified as "Treasury Bonds". He added that these were accounted for in the 2019 balance of accounts in account 141 entitled "Treasury Bonds" for CFAF 237,362,988,909. If this explanation can be accepted, it assumes that the amounts in accounts 141 "Treasury Bonds" of the balance of accounts and 161 "Issuance of Treasury Bills Over Two Years" of the SB are identical.

However, the Audit Bench notes a discrepancy of CFAF 96,852,011,091 between these two accounts.

It also notes that the Ministry of Finance has not provided explanations for the other accounts.

3.3. Execution of expenditures

The review covers the evolution of the budgetary expenditure of the State, the analysis of commitment authorisation (CA) and payment appropriations (PA), the budgetary expenditure by economic type, and the State expenditure for decentralisation. Their execution is presented based on authorisations.

3.3.1. Trends in the State budgetary expenditure from 2017 to 2019

Budgetary expenditure from 2017 to 2019 evolved as follows:

Table 28. Expenditure trends from 2017 to 2019 (In billions of CFA francs)

	2017	2018	2019
Forecasts	4,373. 800	4,886. 212	5,428. 000
Execution	4,229. 423	4,809. 689	5,156. 016
Execution rate (%)	96.70	98.43	94.99

Sources: 2017, 2018 and 2019 Settlement Bills.

The expenditure approved under Section 3 of the Settlement Bill for the 2019 financial year amounts to CFAF 5,156,016 billion for an estimate of CFAF 5,428,000 billion. That is an execution rate of 94.99%, a decline of 3.44 points compared to the 2018 financial year when it stood at 98.43%.

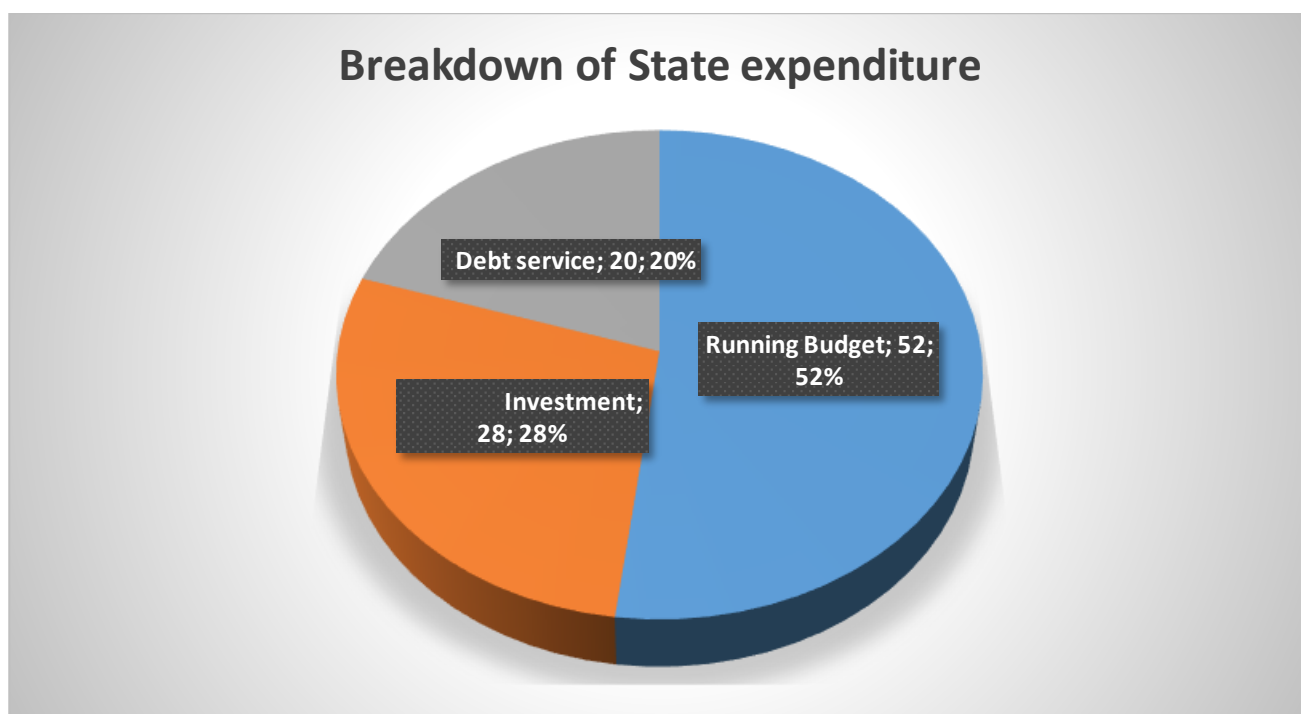
These executed expenditures are distributed between operating budget (52 %), Public Investment (28%) and debt service (20%), as shown in the table below:

Table 29. Expenditure execution rate (%)

Description	2017 (1)	2018 (2)	2019 (3)	Difference [(3)-(2)]
Running Budget	48	49	52	3
Investment	34	29	28	-1
Debt service	18	22	20	-2
Total	100	100	100	

Sources: 2017, 2018 and 2019 Settlement Bills.

Chart 6: Expenditure execution rate (%)



The weight of debt servicing in the total budget decreased by 2%, from 22% in 2018 to 20% in 2019. On its part, Public investment fell by 1% during the same period. On the other hand, the operating budget increased by 3% compared to the 2018 financial year, reaching 52% of the State's budgetary expenditures.

The evolution of the execution of expenditures from payment appropriations to outstanding collections is as follows

Table 30. Trends in expenditure from final appropriations to outstanding payments in millions FCFA

Description	Final appropriations	Authorisations PA	Accounting support	Payment	OC generated after budget execution
Public investment expenditure	1,501,662.54	1,462,983.46	1,434,482.28	1,217,495.12	216,987.16
Investment	1,342,135.06	1,306,839.36	1,306,778.55	1,154,717.22	152,061.33
Holdings	36,133.76	36,133.76	35,926.21	16,420.28	19,505.93
Rehabilitation and restructuring	7,240.82	7,240.82	6,220.87	455.72	5,765.15
Intervention in investment	116,152.91	112,769.53	85,556.65	45,901.91	39,654.75
Running expenditure	2,669,841.66	2,656,273.46	2,628,492.52 [1]	2,405,939.53	222,552.99
Consumption of goods and services	904,526.06	894,527.87	868,450.92	729,604.02	138,846.90
Personnel expenditure	1,014,100.00	1,013,400.00	1,012,953.61	992,623.58	20,330.03
Pensions	220,975.60	220,975.60	220,288.60	210,957.83	9,330.77
Transfers and grants	530,240.00	527,370.00	526,799.39	472,754.10	54,045.29
Including Capital transfers	27,751.38	27,751.38	27,751.38	19,238.77	8,512.61
Debt service	1,256,495.81	1,036,759.68	1,033,860.44	1,020,350.28	13,510.16
Foreign public debt	541,000.00	500,494.89	500,494.89	500,494.89	0
· In principal	341,948.00	327,873.00	327,873.00	327,873.00	0
· Interests	199,052.00	172,621.89	172,621.89	172,621.89	0
Domestic public debt	715,495.81	536,264.79	533,365.55	519,855.39	13,510.16
· Principal	511,063.07	415,515.33	412,616.09	399,105.92	13,510.16
· Refund of credit VAT	100,000.00	66,002.03	66,002.03	66,002.03	0
· Interests	104,432.74	54,747.44	54,747.44	54,747.44	0
Total	5,428,000.00	5,156,016.61	5,096,835.24	4,643,784.93	453,050.32

Sources: Appendix 3, Settlement Bill of the 2009 Financial Year (evolution between allocations, CP authorisations, payments, outstanding payment generated after the execution of the 2019 Budget).

3.3.2. Review of commitment authorisations (CA) and payment appropriations (PA)

Section 3 of the Settlement Bill for the 2019 financial year shows budget expenditures by head and economic type.

Nine (9) of the sixty-three (63) budget heads concerned have a 100% execution rate according to the SB as shown in the table below :

Table 31. Budgetary expenditures by head

Budget head	Description	Final allocations (CFAF)	Execution (CFAF)	Execution rate %
3	National Assembly	24,296,750,684	24,296,750,684	100
12 ⁴	General Delegation for National Security	105,905,393,038	105,905,725,250	100
51	Elections Cameroon	9,556,000,000	9,556,000,000	100
52	National Commission on Human Rights and Freedoms	866,344,539	866,344,539	100
53	The Senate	15,191,000,000	15,191,000,000	100
54	National Commission for the promotion of bilingualism and multiculturalism	2,780,000,000	2,780,000,000	100
55	Pensions	220,975,596,057	220,975,596,057	100
92	Holdings	36,133,755,364	36,133,755,364	100
93	Rehabilitation/restructuring	7,240,816,200	7,240,816,200	100

Four (4) budget heads, on the other hand, show an execution rate of over 100%, as shown in the following table:

Table 32. Budget head with execution rates above 100%

Budget head	Description	Final allocations (CFAF)	Execution (CFAF)	Execution rate (%)
13	Defence	225,490,022,961	225,655,386,006	100.07%
29	Mines, Industry and Technological Development	10,964,487,146	10,967,082,308	100.02%
50	Civil Service and Administrative Reform	8,991,327,942	9,029,054,645	100.42%
60	Grants and Contributions	379,323,617,428	379,612,758,408	100.08%

The overruns observed are respectively CFAF 1,653,630, CFAF 25 951 377 267 and CFAF 2 891 409 for the execution of the budget of the Ministry of Defence, the Ministry of Mines, Industry and Technological Development, the Ministry of Public Service and Administrative Reform and the head *"Grants and Contributions."*

Three (3) budget heads executed their budgets at less than 90%, as shown in the table below:

⁴ Contrary to what is indicated in the table, the actual execution rate of head 12 is 100.00031%.

Table 33. Budget heads with execution rates of less than 90

Budget head	Description	Final allocations (CFAF)	Execution (CFAF)	Execution rate
04	Prime Minister's Office	19,100,151,880	16,034,275,207	83.95 %
27	Decentralisation and Local Development	40,707,922,576	32,437,775,948	79.68 %
43	Women's Empowerment and the Family	6,403,785,769	5,621,784,432	87.79 %

The unused budget appropriations are CFAF 3,065,876,673, CFAF 8,270,146,628 and CFAF 782,001,337 for the Prime Minister's Office, the Ministry of Decentralisation and Local Development and the Ministry of Women's Empowerment and the Family, respectively.

Concerning constitutional bodies, the indicated execution rates, which result from the release of funds by the Ministry of Finance, may not reflect the actual level of execution.

3.3.2.1. Opening of appropriations

Two (2) appropriations were opened in the course of the 2019 financial year, one during the year by Ordinance n°. 2019/001 of 29 May 2019 to amend and supplement certain provisions of Law n°. 2018/022 of 11 December 2018 on the Finance Law of the Republic of Cameroon for the 2019 financial year (Initial Finance Law); the second by Decree N°. 2020/0789/CAB/PM of 28 January 2020 on the opening of appropriations in advance for the 2019 financial year in the amount of CFAF 216,000,000,000.

3.3.2.1.1. Opening of appropriations by Ordinance

The budget initially authorised by Parliament was modified in the 2019 financial year. Thus, the President of the Republic, through the aforementioned Ordinance N°. 2019/001 of 29 May 2019, opened appropriations in commitment authorisation (CA) of FCFA 5,357,214,085,000 against an amount of FCFA 4,995,714,085,000 set by the initial Finance Law, i.e. an increase of FCFA 361,500,000,000. The same ordinance modifies the appropriations in Payment Appropriation (PA) by the initial Finance Law by increasing from CFAF 4,850,500,000,000 to CFAF 5,212,000,000,000, i.e. an increase of CFAF 361,500,000,000. These appropriations represent 7,24 % in CAs and 7,45 % in PAs of the amount initially authorised by Parliament.

Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State provides in section 17 (1) that, "*Without prejudice to the provisions of sections 36 to 41 of this law, the amending finance laws may, during the course of the year, modify the provisions of the initial Finance Law, and if necessary, they shall ratify the modifications previously made, by way of ordinance to the appropriations opened by the last Finance Law.*"

Section 63 (1) of Law n°. 2018/022 of 11 December 2018 on the Finance Law of the Republic of Cameroon for the 2019 financial year provides as follows, "*The President of the Republic shall*

be authorised to make, by ordinance, amendments to the financial, fiscal and customs legislations as well as the Investment Charter. "

Under Section 65 of Law n°. 2018/022 of 11 December 2018 referred to above, the ordinance issued by the President of the Republic was ratified by Parliament and promulgated by Law n°. 2019/009 of 19 July 2019 ratifying Ordinance n°. 2019/001 of 29 May 2019 amending and supplementing some provisions of Law n°. 2018/022 of 11 December 2018 to lay down the Finance Law of the Republic of Cameroon.

3.3.2.1.2. Opening of appropriations by advance decree

The appropriation of CFAF 216 billion by the advance decree of 28 January 2020 concerns programme 673 and programme 679 respectively of budget head 57 "External debt" for CFAF 116 billion, and budget head 60 "Grants and contributions" for CFAF 100 billion.

Section 39 of Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other Public Entities states that:

- (1) *"In case of emergency, decrees of the Prime Minister, Head of Government, taken on the report of the Minister in charge of finance, after the opinion of the Minister or Ministers concerned, may open additional appropriations without deteriorating the budgetary balance established by the last Finance Law, by cancelling appropriations or by establishing new revenues.*
- (2) *These decrees granting advances are signed within a total ceiling of open appropriations which cannot exceed 1% of the appropriations approved by the Finance Law of the year."*

By reporting the amounts of appropriations opened by advance Decree n°. 2020/0789/ CAB/PM of 28 January 2020 to the total appropriations opened by the Finance Law, the Audit Bench was able to control the application of the provisions of section 39 (2) of the law mentioned above through the following table:

Table 34. Compliance with the opening ceiling (in millions of CFA francs)

Description	General budget		Special Accounts		Total	
	CA	PA	CA	PA	CA	PA
Opened appropriations FL	4,995,714	4,850,500	45,500	45,500	5,041,214	4,896,000
Opening Ordinance	361,500	361,500	0	0	361,500	361,500
Total FL + Ordinance = LFR	5,357,214	5,212,000	45,500	45,500	5,402,714	5,257,500
Appropriations opened by the Advance Decree (AD) No. 2020/0789/	216,000	216,000	0	0	216,000	216,000

CAB/PM of 28 January 2020						
DA/LFR opening %					4.00	4.11

Source: 2019 Settlement Bill

This shows that appropriations opened by Advance Decree n°. 2020/0789/ CAB/PM of 28 January 2020 represent 4.00% in CA and 4.11% in PA, respectively, instead of the 1% provided for by the fiscal regime of the State and other public entities.

In its explanations, the Ministry of Finance maintains that paragraph 4 of this law allows "*in cases of emergency and imperative need in the national interest*" to exceed the ceilings set out in paragraph 2.

However, this Advance Decree should have been issued before appropriations were consumed and during the 2019 fiscal year under the principle of prior authorisation.

Moreover, to respect the prerogatives of Parliament, the Advance Decree should have been ratified during the next parliamentary session. Not as part of the 2019 Settlement Bill, almost a year after those appropriations were consumed.

3.3.2.2. Share of support programmes in the budget of some administrations

Programmes are grouped into two categories: operational programmes and support programmes.

Operational programmes are oriented towards the fulfilment of tasks aimed at improving citizens' standard of living. As for support programmes, they support the operational programmes by mobilising the transversal resources necessary to reach the objective referred to above.

Laying down the main guidelines for the preparation of the budget for the 2017 financial year, the President of the Republic prescribed in Paragraph 19 of Circular n°. 001 / CAB / PRC of 28 July 2016 on the preparation of the State budget for 2017 that, "*the allocation of staff expenditure shall be made systematically in the operational programmes to streamline the support programmes.*"

1) Constitutional bodies

From the review of section 6 of the Settlement Bill, it appears that in 2019, four (4) constitutional bodies allocated the largest share of their budget to the implementation of their support programmes, as illustrated in the table below :

Table 35. Significant budgetary allocations from the support programmes of constitutional bodies

No.	Budget heads	Support Programme	Overall budgetary allocation authorised	Support programme allocation authorised	Support programme volume in the overall budget
1	Budget head: 01 Presidency of the Republic	Programme: 033 Governance and Institutional Support of the Presidency of the Republic and its attached services	58,023,083,662	35,135,799, 419	60.55 %
2	Budget head: 03 National Assembly	Programme: 033 Governance and Institutional Support of Services of the National Assembly	24,296,750,684	20,447,114, 684	84.15 %
4	Budget head: 05 Economic and Social Council	Programme: 061 Governance and Institutional Support to the Economic and Social Council	1,717,000,000	1,543,000,000	89.86 %
13	Head 49: Constitutional Council	Programme 615: Governance and Institutional Support to the Constitutional Council	2,731,200,000	2,231,200,000	100.00 %

According to section 31 (1) of the law relating to the Fiscal Regime of the State, *“budgetary appropriations not distributed in programmes are broken out into allocations.”*

Section 31 (2) of the same law states that each appropriation includes a set of global appropriations intended to cover specific expenditures, which cannot be directly associated with public policy objectives or performance criteria.

According to paragraph 3 of the same section, the appropriations intended for the public authorities for each constitutional institution may be the subject of an allocation.

2) Other administrations

Thirteen (13) administrations continue to allocate a significant portion of their budget allocations to support programmes in 2019, as shown in the table below:

Table 36. Significant budget allocations to support programmes in other administrations

No.	Budget heads	Support Programme	Overall budgetary allocation authorised	Support programme allocation authorised	Support programme volume in the overall budget
1	Budget head: 04 Prime Minister's Office	Programme: 047 Governance and Institutional Support to Internal and attached Services of the Prime Minister's Office	16,034,275,207	14,177,778,752	88.42 %
2	Budget head: 06 External Relations	Programme: 121 Governance and institutional support to the sub-sector of the Supreme Court	4,389,695,081	2,939,270,132	66.95 %
3	Budget head: 10 Public Contracts	Programme: 717 Governance and institutional support to	16,058,604,211	8,960,786,685	55.80 %

		the public contracts subsector			
4	Budget head: General Delegation of National Security	Programme: 152 Governance and Institutional Support	68,474,105,975	105,905,725,250	64.65 %
5	Budget head: 17 Communications	Programme: 228 Governance and Institutional Support to the Communication Sub-Sector	3,735,301,489	2,427,493,120	64.98 %
6	Budget head: 18 Higher Education	Programme: 244 Governance and institutional support to the Higher Education subsector	59,855,390,008	55,300,185,434	87.94 %
7	Budget head: 20 Finance	Programme: 275 Governance and Institutional Support to MINFI	78,642,976,981	40,185,186,747	92.38%
8	Budget head: 21 Trade	Programme: 288 Governance and Institutional Support to the Trade Sub-Sector	7,524,088,359	4,160,071,571	55.29
9	Budget head: 41 Labour and Social Security	Programme: 543 Governance and institutional support to the Labour and Social Security subsector	4,812,825,224	2,863,812,857	59.50 %
10	Budget head: 50 Public Service and Administrative Reform.	Programme: 618 Governance and Institutional Support of the Ministry of Public Service and Administrative Reform	9,029,054, 645	8,186,884, 161	90.67 %
11	Budget head: 51 Elections Cameroon	Programme: 631 Coordination and management of elections in Cameroon	9,556,000,000	9,556,000,000	10000 %
12	Budget head: 52 National Commission on Human Rights and Freedoms	Programme: 646 Coordination and management of the NCHRF	866,344,539	866,344,539	100.00 %
13	Budget head: 54 National Commission on the Promotion of Bilingualism and Multiculturalism	Programme: 735 Governance and Institutional Support to the National Commission on the Promotion of Bilingualism and Multiculturalism	2,780,000,000	2,780,000,000	100.00 %

It should be recalled that when preparing the opinion on the Settlement Bill for the 2017 financial year, the Ministry of Finance took note of the large amounts allocated to the implementation of support programmes. Accordingly, he charged these amounts to salaries and current consumption (water and electricity) as well as to some centrally managed credits.

It also promised that efforts would be made to improve budgetary discipline, which is not yet the case.

Despite the measures announced, some administrations continue to allocate the largest proportion of their total authorised expenditure to their support programmes.

The Ministry of Finance maintains that the situation continues to be justified by the significant payroll that is still housed in the support programmes of the said administrations. He stressed that the work relating to the easing of the payroll through operational programmes was planned for the 2019 - 2021 triennium. The completion of this

decentralisation depends on acquiring a state-of-the-art Information System exclusively devoted to payroll management.

3.3.2.3. Analysis of budgetary expenditure by economy type

3.3.2.3.1. Review of the operating budget

The budget allocated to the State's operating expenditure for the 2019 financial year amounted to CFAF 2,669,841,655,056 as against CFAF 2,405,471,750,000 in 2018, an increase of CFAF 264,369,905,056 for a rate of 10.99 %.

The table below shows the operating budgets adopted during the last three financial years:

Table 37. Trends in operating budget from 2017 to 2019 (Final allocations in billion CFAF)

Description	2017	2018	2019
Expenditure on goods and services	597.41	714.12	904.50
Salaries	940.90	1,017.20	1,014.10
Pensions	205	202.56	220.98
Common expenditure	419.01	471.60	-
Transfers and grants (Scholarships and grants)	-	-	530.24
Operating Budget	2,162.32	2,405.47	2,669.84
Total budget	4,373.80	4,886.21	5,428
Share of the operating budget in the total budget	49.44 %	49.22 %	49.19 %

Sources: 2017 to 2019 Settlement Bills

The operating budget is slightly in decline in terms of State's expenditures. Thus, from 49.44% in 2017, it decreased to 49.22% in 2018 and accounted for 49.19% of the budget in 2019.

3.3.2.3.1.1. Consumption of goods and services

The final allocation for consumption of goods and services stood at 904.5 billion CFAF. The authorised appropriations amounted to CFAF 894.5 billion, and the payments totalled CFAF 729.60 billion. The outstanding payments generated after the execution of the 2019 budget amount to CFAF 138.85 billion.

Consumption of goods and services has been growing since 2017. Thus, from CFAF 597,41 billion FCFA in 2017, it rose to CFAF 714,12 billion in 2018 to reach CFAF 904,50 billion in 2019.

This upward trend can also be observed regarding their importance in the overall operating budget. Therefore, this expenditure represented 27.62 % in 2017, 29.68 % in 2018 and 33.88 % in 2019.

The table below shows the evolution of consumer expenditure on goods and services in the overall operating budget:

Table 38. Trends in consumer spending on goods and services in the overall operating budget (Final allocations in billions of CFA francs)

Description	2017	2018	2019
Expenditure on goods and services	597.41	714.12	904.50
Operating Budget	2,162.32	2,405.47	2,669.84
The volume of goods and services in the running budget	27.62 %	29.68 %	33.88 %

Sources: 2017 to 2019 Settlement Bills

3.3.2.3.1.2. Personnel expenditure

□ Expenditure on salaries

The final allocation for expenditure on salaries and wages of government employees was estimated at CFAF 1 014.1 billion. The authorised appropriations amounted to CFAF 1 013.4 billion, and the payments made totalled CFAF 992.62 billion. Outstanding salary payments for the 2019 budget stand at CFAF 20.33 billion.

Expenditure on salaries showed an increasing trend between 2017 and 2018, followed by a slight decrease in 2019. Thus, they amounted to CFAF 940.9 billion in 2017, CFAF 1,017.2 billion in 2018 and CFAF 1014.1 billion in 2019. In terms of their volume in the overall operating budget, Expenditure on salaries accounted for 44.10% in 2017, 42.28% in 2018 and 37.98% in 2019. According to the Ministry of Finance, this decreasing trend can be explained by the continued updating of the State wage bill started by the government in 2017.

However, it should be noted that a more than proportional increase in the operating budget compared to expenditure on salaries and the late assumption of responsibility for the salaries of new State staff could both explain this situation.

From a budgetary and accounting point of view, there is an asymmetry between the financial data displayed in the SB and those recorded in the trial balance as at 31 December 2017.

Appendix 1 of the 2019 Settlement Bill shows an amount of CFAF 1,012.95 billion for staff expenditure as a global accounting entry on the actual authorisation. The trial balance

shows, after reprocessing⁵, an amount of CFAF 1,011.95 billion, i.e. a difference noted of CFAF 1 billion.

However, according to the harmonised framework of the State's budgetary and accounting nomenclature, this information must be consistent.

The Ministry of Finance notes the relevance of this observation. It tries to explain that the discrepancy is justified by the data in the SB, which is produced based on ordinances. In contrast, those in the balance of accounts are calculated based on accounting entries.

The Audit Bench refutes this explanation because it is based on the calculation of the difference between the accounting entries in Appendix 1 of the SB and the accounting entries in the balance of accounts as at 31 December 2019.

□ **Pension expenditure**

Expenditures on pensions are entered in budget head 55 "*Pensions*."

Final allocations amounted to CFAF 221 billion for appropriations authorised in the same amount and payments made for CFAF 210.96 billion. Therefore, the outstanding balance on pension expenditure for the 2019 budget amounts to CFAF 9.33 billion.

Expenditure on pensions has fluctuated considerably since 2017. Thus, they decreased between 2017 and 2018, from CFAF 205 billion to CFAF 202.56 billion, and then increased between 2018 and 2019, from CFAF 202.56 billion to CFAF 221 billion. However, compared to their respective operating budgets, the expenditure on pensions shows a downward trend with 9.5% in 2017, 8.42% in 2018 and 8.27% in 2019.

3.3.2.3.1.3. Common expenditures

Common expenditures are included in budget head 65 "Common expenditure." The final allocations of the said head continued increasing during the last three financial years, i.e. CFAF 419.01 billion in 2017, CFAF 471.59 billion in 2018 and finally, CFAF 487.73 billion in 2019.

Their volume in the State's operating budget is 19.37 % in 2017, 19.60 % in 2018 and 18.26 % in 2019.

Contrary to previous years, the said expenditure was not included in the appendices to the Settlement Bill for the 2019 financial year.

The Ministry of Finance refers to a presentation problem, indicating that the data on common expenses have been reclassified under transfers and subsidies.

While taking note of these explanations, the Audit Bench recommends that justifications for the change in presentation method be provided to it in the future.

⁵Restatement: [balance of the main account 62] - [balance of account 629 (death assistance, food allowances for military personnel, exceptional aid and assistance to personnel)]: 1,016.88 billion - 4.93 billion = 1,011.95 billion.

Furthermore, details of the common expenses by economic nature must be communicated to it.

3.3.2.3.1.4. Transfers and grants

They consist of grants payable, scholarships, internships and contributions.

The final allocation for these expenditures was CFAF 530.24 billion. The authorised appropriations amounted to CFAF 527.37 billion, and the payments made totalled CFAF 472.75 billion. The outstanding payments for the 2019 budget stand at CFAF 54.05 billion.

This entry of transfers and grants, which appears for the first time in Appendix 2, improves the presentation of the Settlement Bill.

3.3.2.3.2. Review of the public investment budget (PIB)

The documents received by the Audit Bench for the review of the 2019 investment expenditure include:

- the Settlement Bill (MINFI);
- the interim report on the execution of the 2019 PIB (MINEPAT);
- Status of execution of externally financed projects

Like last year, the Ministry of Finance attributed the provisional nature of the report on the execution of the 2019 PIB to the awaited Audit Bench's opinion on the SB.

3.3.2.3.2.1 Trends in the PIB over the last three years

The table below shows the trends in the PIB from 2017 to 2019.

Table 39. PIB trends (in billion CFA F)

Financial year	2017	2018	2019
Overall budget	4,373.80	4,886.21	5,428
PIB	1,446.78	1,428.77	1,501.66
PIB's share in the overall budget (%)	33	29	27.66
Relative variation of the PIB (%)	-	- 1,24	5.1

Sources: 2017, 2018 and 2019 Settlement Bills.

PIB for the 2019 fiscal year increased by 5.1 % compared to that of the 2018 fiscal year, from a final allocation of CFAF 1,428,776,363,341 in 2018⁶ to CFAF 1,501,662,539⁷ in 2019.

⁶ Source: SB 2018

⁷ Source: SB 2019

It accounted for 27.66 % of the State's budget expenditure in 2019, against 29 % in 2018, a 1.34 % decrease.

Trends in the PIB by source of funding (internal and external) over the last three years is as follows:

Table 40. Trends in the BIP by source of funding In billions of CFAF (Base, initial allocation of the 2019 Finance Law)

Sources of funding	2017	2018	2019	Variation 2018 - 2019 (%)
Internal resources	961.9	695.5	703	1.07
OIR	613.6	547	561.8	2.7
- OIR*	356.0	405.8	357.2	- 11,9
- CF/TCD	80.0	50	40.1	- 19,8
- CF/AE	118.7	91.2	73.8	- 19
- TR	58.9	66.6	90.7	36.18
SIR (C2D)	33.3	23.5	20.2	- 14
SYTYP	25.0	10	10	0
PLANUT	260.0	-	39	-
CAN	30.0	115	72	- 37,39
External resources	625.0	596	775	30
Total	1586.9	1291.5	1478.00	14.44

Source: Interim Report on the execution of 2017, 2018, 2019 PIB, MINEPAT

TR: Transferred resources

SIR: Special Internal Resources

CF/TCD: Counterpart funds in Taxes and customs duties

CF/AE: Counterpart funds in actual spending

RIR: Ordinary Internal Resources

RIR: OIR without CF/TCD, CF/AE and TR*

SYTYP: Special Three-Year Plan for Young People

The reviewed public investment budget (PIB) comprises:

- Capital expenditure of constitutional bodies and ministries
- expenditure on State participation (Head 92);
- rehabilitation and restructuring expenditure (Head 93);
- and intervention in investment expenditure (Head 94).

This expenditure was executed as follows:

Table 41. Investment expenditure in 2019 In billions

	Description	Final appropriations	Execution Authorisations	Execution rate (%)
92	Holdings	36.13	36.13	100%
93	Rehabilitation/restructuring	7.24	7.24	100%
94	Intervention in investment:	116.15	112.76	97.08%
	<i>Capital expenditure of constitutional bodies and ministries</i>	1,342.14	1,306.84	97.37%
	<i>Administration's Internal Resources</i>	548.25	514.32	93.81%
	<i>External financing (EXFIN)</i>	793.89	792.53	99.83%
	TOTAL	1,501.66	1,462.98	97.42%

Source: Section 2 of the 2019 Settlement Bill

The capital expenditure of the State recorded an execution rate of 97.42 %. They are down by 0.22 % compared to the 2018 fiscal year, during which they recorded an execution rate of 97.64 %.

However, there are discrepancies between the data contained in the SB and that of the status report on the execution of the PIB by head/region / Programme / Action / Project, as illustrated in the following table:

Table 42. The discrepancy between SB data and MINEPAT data (in billion CFAF)

Head	Description	2019 SB data		MINEPAT data		Difference	
		Final allocations	Execution	Final appropriation (PA)	Authorisations	Allocation	Authorisations
94	Intervention in investment	116.15	112.76	116.15	109.99	-	2.77
	Capital expenditure of administrations	1,342.14	1,306.84	1,342.25	1,314.25	- 0.11	- 7.41

Sources: 2019 SB and status report of the execution of the PIB by head/region / Programme/ Action / Project.

The Ministry of Finance attributes this discrepancy to the mode of execution of the appropriations of head 94, which are delegated to the devolved services and not authorised at the central level. He adds the discrepancy can also be due to the processing of data of head 65 (common operating expenses), allowing MINEPAT to capture and record in the PIB the interventions in investment coming from that head.

While noting these explanations, the Audit Bench recommends that these salary statements be forwarded to it in future.

3.3.2.3.2.2 Review of investment expenditure in EXFIN management mode

The execution status of externally funded projects has been presented to the Audit Bench since the 2018 financial year. The table below shows PIB trends in EXFIN management:

Table 43. PIB trends in EXFIN management

Description		2018 (1)	2019 (2)	Difference (2) – (1)	%
EXFIN	Disbursement Finance Law	637,843,341,731	791,699,206,145	153,855,864,414	24
	Disbursement outside Finance Law	87,238,790,269	7,480,109,665	-79,758,680,604	-91
TOTAL		725,082,132,000	799,179,315,810	74,097,183,810	10

Source: *Situations d'exécution des projets à FINEX (Annexe BIP au PLR), 2018 et 2019*

PIB execution in relation to EXFIN increased by 10% from 725,082,132,000 CFAF to 799,179,315,810 CFAF, an increase of CFAF 74,097,183,810 CFAF

Projects outside the Finance Law experienced a significant decrease from CFAF 87,238,790,269 to CFAF 7,480,109,665, a decrease of 79,758,680,604 CFAF at a rate of -91 %.

The review of the execution of externally funded projects revealed a discrepancy in the amount of disbursements of non-budgeted projects in the 2019 Finance Law between the data produced in Section 3 of the Settlement Bill, which show an amount of CFAF 7.8 billion in execution and those of the PIB appendix to the Settlement Bill of the same year relating to the status of execution of externally funded projects which show a total amount of 7.48 billion, that is a difference of CFAF 320 million.

The Ministry of Finance justifies the overruns of EXFIN budget allocations of CFAF 7.8 billion in 2019. However, it does not explain the CFAF 320 million discrepancy noted for this overrun between the data in the SB and the PIB appendix to the 2019 settlement bill.

In addition, a review of the "Status report on the execution of external financing in the 2019 Financial Year" shows that for 5 (five) projects, the amounts disbursed are higher than the revised payment appropriations, as shown in the table below:

Table 44. Status report on the execution of externally financed projects in 2019: Disbursements exceeding revised PA allocations (in thousands of CFA francs)

Investment task on external financing	Allocation PA (revised)	Calls for funds issued in 2019	Actual disbursements	Difference (Disbursement - Allocation PA revised)
Projects included in the 2019 Finance Law				
Head: 33 MINISTRY OF FORESTRY AND WILDLIFE				
EXFIN : Forest-Environment Sector Programme (FESP)	366,804	366,804	491,816	125,012
Head: 36 MINISTRY OF PUBLIC WORKS				
EXFIN : Programme IV rehabilitation of bridges in BA or BP	422,185	422,185	678,155	255,970
Head : 40 MINISTRY OF PUBLIC HEALTH				
Support programme for reproductive health (EXFIN)	1,257, 018	1,257, 018	2,655, 785	1,398, 767
Support programme for reproductive health PASAR II (EXFIN)	1,179, 874	647,178	1,367, 335	187,461
Head: 36 MINISTRY OF PUBLIC WORKS				
EXFIN : Programme IV rehabilitation of bridges in BA or BP	422,185	422,185	678,155	255,970
Total	3,648, 066	3,115, 370	5,871, 246	2,223, 180

Sources: 2019 SB and status report of the execution of the PIB by head

MINEPAT had already explained such discrepancies in 2018 through disbursements made but relating to calls for funds issued in previous years. It promised for the 2019 financial year a presentation by project of previously issued calls for funds that have been disbursed in that financial year.

The table below does not detail 2019 projects for which disbursements were made on calls for funds issued during previous years.

Table 45. Status of calls for funds produced by MINEPAT

EXFIN 2019 DISBURSEMENTS, INCLUDING CALLS FOR FUNDS FROM PREVIOUS YEARS	DISBURSEMENTS (IN CFAF)
Calls for funds issued in 2016, 2017 and 2018	151,101,587,524
Calls for funds issued in 2019	649,231,279,118
TOTAL EXFIN DISBURSED	800,332,866,642

Source: SB 2019

In addition, a review of the "Status report on the execution of EXFIN in 2019 " shows that for 13 (thirteen) projects, the calls for funds issued in 2019 are higher than the revised payment appropriations, as shown in the table below:

Table 46. Status report on the execution of externally financed projects in 2019: Calls for funds issued in 2019 higher than the revised payment Appropriations (In thousands of CFAF)

Investment task on external financing	Allocation PA (revised)	Calls for funds issued in 2019	Actual disbursements	Difference (Calls for Funds issued in 2019 - Revised PA)
Projects included in the 2019 Finance Law				
Head 15: MINISTRY OF BASIC EDUCATION				
EXFIN PAREC Programme	2,966, 501	3,201, 498	3,201, 498	234,997
Head 22 MINISTRY OF ECONOMY, PLANNING AND REGIONAL DEVELOPMENT				
EXFIN PIADEL-EN	2,963, 412	5,133, 347	3,227, 173	2,169, 935
EXFIN VALORISATION INVESTMENT BENOUE	484,920	736,046	736,046	251126
External resources of the social Nets Project	729,567	2,577, 498	2,577, 498	1,847, 931
Chapter 25: MINISTRY OF SECONDARY EDUCATION				
Technical Secondary Education Project (PEST): EXFIN	115,375	627,294	627,294	511,919
Chapter 30: MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT				
EXFIN of the programme to promote agropastoral Youth Entrepreneurship (PEA-Jeunes)	2,945, 336	3,695, 891	3,695, 891	750,555
EXFIN for Grass-Field Rural Participatory and Decentralised development Project	932,714	1,261, 539	1,233,698	328,825
Head: MINISTRY OF LIVESTOCK, FISHERIES AND ANIMAL INDUSTRIES				
EXFIN for the aquaculture entrepreneurship promotion project (PPEA)	3,328, 226	4,987, 463	4,987,463	1,659, 237
Head: 32 MINISTRY OF WATER RESOURCES AND ENERGY				
EXFIN: Lom Pangar reservoir component (6 billion m3) and 30 MW plant	837,049	1,634, 288	1,408, 274	797,239
EXFIN: Drinking water supply project for the towns of Meyomessala, Nkongsamba and Melong (CAMWATER)	6,939, 216	9,946, 824	9,946,824	3,007, 608
Head: 36 MINISTRY OF PUBLIC WORKS				
EXFIN : Rehabilitation of Ketta-Djourn II Road and Transport Facilitation Project in the Yaoundé-Brazzaville Corridor (Lot Djourn-Mitom)	5,883, 706	12,154, 549	11,783, 513	6,270, 843
EXFIN : Kumba-Mamfé road pavement works (lot 1: Kumba-Nfaitock and Lot2 : Nfaitock-Mamfe)	1,188, 820	3,711, 974	3,623, 237	2,523, 154
EXFIN : Rehabilitation works of the Mora - Dabanga - Kousseri road	11,841, 130	14,710, 284	14,618, 393	2,869, 154

Total	41,155, 972	64,378, 495	61,666, 802	23,222, 523
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Sources: 2019 SB and status report of the execution of the PIB by head

These calls for funds issued in 2019 are FCFA 23,222,523,000 higher than the revised payment appropriations voted by the Finance Law.

The Ministry of Finance had previously explained this situation, without convincing the Audit Bench, by the evaluative nature of the appropriations allocated to such expenditure.

This year, it explains these overruns by an increase in the cost of projects.

For the Audit Bench, these overruns violate the principle of prior authorisation.

The Audit Bench nevertheless notes the establishment of a platform (MINEPAT-MINFI/CAA) to control the overruns observed in the execution of EXFIN projects.

In addition, the status of calls for funds that were undisbursed at the end of December 2019 produced in the "Status of External Financing Execution in the Fiscal Year 2019" does not reconcile with the revised PA allocations, the calls for funds issued in 2019 and actual disbursements, as illustrated in the table below:

**Table 47. Status report on the execution of externally financed projects in 2019
Undisbursed calls for funds at the end of 2019 (in thousands of CFA francs)**

Investment task on external financing	Allocation PA (revised)	Calls for funds issued in 2019	Actual disbursements	Undisbursed calls for funds at the end of 2019
Projects included in the 2019 Finance Law				
Head 16: MINISTRY OF SPORTS AND PHYSICAL EDUCATION				
EXFIN PAREC Programme	47,256, 692	47,256, 693	47,256, 693	4,108, 154
Head 22 MINISTRY OF ECONOMY, PLANNING AND REGIONAL DEVELOPMENT				
Implementation of a communication interface between (S-DRMS and the DAD system)	25,431	25,431	25,431	68,846
Chapter 25: MINISTRY OF SECONDARY EDUCATION				
Construction and equipment of the Ekounou Vocational High School: EXFIN	281,700	-	-	70,800
Head: MINISTRY OF DECENTRALISATION AND LOCAL DEVELOPMENT				
FEICOM -medium-sized cities Programme	1,402, 091	594,955	556,212	540,711
Chapter 30: MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT				
EXFIN for the Programme to improve agricultural productivity of smallholder farmers in sub-Saharan Africa (APAPE-SAPEP)	1,000, 856	525,383	525,383	1,014, 901
Head: MINISTRY OF LIVESTOCK, FISHERIES AND ANIMAL INDUSTRIES				
EXFIN: YOUPWE DOUALA DEVELOPMENT	-	-	-	605,635
Head: 32 MINISTRY OF WATER RESOURCES AND ENERGY				
EXFIN : Drinking water supply project (DWS) for the city of Yaoundé from Sanaga (PAEPYS)	67,279, 786	67,279, 787	67,279, 787	41,868, 810
EXFIN : Drinking water supply project (DWS) 7 BADEA-OFID centres	426,901	427,781	426,901	114,825

Rehabilitation project of 14 drinking water systems	4,840, 276	4,840, 276	4,840, 276	1,231, 709
Head: 33 MINISTRY OF FORESTRY AND WILDLIFE				
EXFIN : Support to the Sustainable Management of Natural Resources Programme in Cameroon, South West Region PSMNR-SW	1,405, 352	1,405, 352	1,405, 352	308,890
Head: 36 MINISTRY OF PUBLIC WORKS				
EXFIN: Road pavement works (Lot1: Batchenga-Ntui including the construction of a bridge over the Sanaga River at Nachtigal (21.3km), Lot2: NTUI-Mankim (96.7 km), Lot3: Mankin-Yoko (82.1 km), Lot4: Yoko-lena (44.9 km), Lot5: Lena-Sengbe (71.5)	36,233, 666	37,116, 849	35,916, 626	882,981
EXFIN : Programme IV rehabilitation of bridges in BA or BP	422,185	422,185	678,155	254,501
EXFIN : Rehabilitation of Ketta-Djoum II Road and Transport Facilitation Project in the Yaoundé-Brazzaville Corridor (Lot Djoum-Mitom)	5,883, 706	12,154, 549	11,783, 513	439,265
EXFIN : Kumba-Mamfé road pavement works (lot I: Kumba-Nfaitock and Lot2 : Nfaitock-Mamfe)	1,188, 820	3,711, 974	3,623, 237	2,070, 144
EXFIN : Construction works on the Edéa-Kribi motorway (Lot 1, deep-water port Lolabé-Ville de Kribi)	6,589, 487	6,589, 487	6,589, 487	48,474, 239
EXFIN : Construction works of the Yaoundé-Douala motorway (Phase 1)	37,580, 978	37,325, 357	37,580, 978	29,674, 139
EXFIN : Construction of bridges ACROW	2,085, 379	2,085, 379	2,085, 379	186,716
EXFIN : MANKI-MAPE BRIDGE	242,785	242,785	242,785	581,781
Head: 38 MINISTERE DE L'HABITAT ET DU DEVELOPPEMENT URBAIN				
EXFIN : Douala City storm remediation project	31,199, 028	31,199, 028	31,199, 028	695,971
Head: 40 MINISTRY OF PUBLIC HEALTH				
Garoua Reference Hospital Construction and Equipment Project (FINEX)	939,632	939,632	939,632	1,096, 124
Project to organise the collection and treatment of hazardous hospital waste (FINEX)	163,989	163,989	163,989	1,311, 914
SWAP Health/AIDS (balance)	99,479	99,479	99,479	3,288, 889
Head: 45 MINISTRY OF POSTS AND TELECOMMUNICATIONS				
EXFIN : Central Africa Fibre-optic-Backbone Project (CAB)-	3,199, 013	3,318, 674	3,199, 013	162,636
Head: 27 MINISTRY OF DECENTRALISATION AND LOCAL DEVELOPMENT				
Programme for the Economic and Social Development of Secondary Cities exposed to Factors of Instability (PRODESV)	-	2,263, 052	2,263, 052	250,656
Head: 32 MINISTRY OF WATER RESOURCES AND ENERGY				
EXFIN : INSTITUTIONAL SUPPORT MINEE	-	-	-	20,421
EXFIN: Hydroelectric Development Project of 75 MW in Wrarack on BIni with a transportation line	-	-	-	35,747, 478
Head: 46 MINISTRY OF TRANSPORT				
Acquisition of MA 60 Aircraft (FINEX)	-	-	-	4,095, 992

The table shows that some projects financed by technical and financial partners show budget balances even though they have fully used up their allocations. On the other hand, some projects have budget balances with no initial allocation. This situation does not allow the Audit Bench to give an opinion on the effectiveness of such balances.

The Ministry of Finance provided no answer to this problem of balances of calls for funds at the end of the 2019 financial year. Instead, it merely referred to establishing a platform for consolidating data of EXFIN project execution (MINEPAT-MINFI/CAA).

3.3.2.3.2.3 Capital expenditure of constitutional bodies and ministries

Expenditure relating to the public investment budget of bodies (constitutional bodies and ministries) with a final allocation of 1,342.14 billion CFAF was executed at 1,306.84 billion CFAF (authorisation)⁸, a rate of 97.37 %. It is down by 0.3 points compared to the previous year's rate of 97.67 %.

3.3.2.3.2.4 Participation expenditure

Head 92 "*Holdings*" is the subject of the lone programme 697", *State's participation in semi-public and private enterprises.*" The programme consists of a single action N^o. 2, "*participation in other enterprises.*"

The appendices to the SB show that expenditures on this action, titled "other support to PAEs and organisations," was provided for in the initial allocation of funds for CFAF 40 billion. As a result, the final allocation of 36.13 billion CFAF was authorised, representing an execution rate of 100% against 99.89 % in 2018.

3.3.2.3.2.5. Expenditure on rehabilitation and restructuring

Section 93, "*Rehabilitation/Restructuring*" is the subject of the single Programme 703, "*Rehabilitation/Restructuring of Public Enterprises.*" The initial PA was set at 10 billion FCFA. The final allocation of CFAF 7.24 billion was authorised, representing an execution rate of 100% against 94.55% in 2018.

3.3.2.3.3. Review of the Public debt

3.3.2.3.3.1. Debt servicing as presented in the Settlement Bill.

Debt servicing consists of capital and interest repayments of external and domestic public debt. For final allocations of CFAF 1,051,964,697,099, debt service was authorised for CFAF 1,036,759,680,052, representing an execution rate of 82.51 %, as shown in the table below

Table 48. Debt servicing at the close of the 2019 financial year

Head	Description	Final allocations (CFAF)	Execution (CFAF)	Execution rate (%)
56	Foreign public debt	541,000,000,000	500,494,887,008	92.51
	- Principal	341,948,000,000	327,873,000,000	95.88
	- Interests	199,052,000,000	172,621,887,008	86.72

⁸Source: Section 3 SB 2019

57	Domestic public debt	715,495,805, 103	536,264,793, 044	74.95
	- Principal	511,063,065, 015	415,515,326, 034	81.30
	- VAT credit refund	100,000,000, 000	66,002,029, 465	66.00
	- Interests	104,432,740, 088	54,747, 437,545	52.42
Total debt service		1,256,495,805, 103	1,036,759,680, 052	82.51

Source: SB 2019

External debt servicing was executed at 92.51 % of budget allocations, while domestic debt servicing was executed at 74.95 %. It is worth noting that the VAT credit refund amounted to CFAF 66,002,029,465, i.e. 12.31% of domestic debt servicing. Compared to the 2018 financial year, the amount of debt servicing is up by 1,775,386,827 CFAF or 0.17% in relative terms.

3.3.2.3.3.2. Debt servicing burden in the State budget

Debt service represents 20.11% of budgetary expenditures for the 2019 financial year and 28.40% of the State's own revenue, as shown in the table below:

Table 49. The burden of debt servicing in the State budget from 2017 to 219

Description	2017	2018	2019
Debt servicing (DS) (CFAF)	761,693,343, 230	1,034,984,293, 225	1,036,759,680, 052
Own-source revenue ⁹ (CFAF)	3,131,616,860, 793	3,436,153,862, 825	3,650,514,026, 071
Total budget (FCFA)	4,229,422,648, 056	4,809,688,885, 393	5,156,016,607, 127
Outstanding debt/Own-source revenue	24.32 %	30.12 %	28.40 %
Debt service/Total budget	18.01 %	21.52 %	20.11 %

Sources: 2017, 2018, 2019 SB

Although slightly lower than in 2018, the debt service burden in 2019 was over 20 % of the budget.

Debt service absorbs more than one-fifth of the State's budgetary expenditure, i.e. more than one-quarter of the State's own revenue, which is, in fact, the State's largest item of expenditure.

⁹ Including donations for the 2019 financial year of 133,306,627,411 CFAF.

3.3.2.3.3. Interest burden on debt servicing

In 2019, interest represented 23.42% of public debt servicing, as shown in the table below:

Table 50. Trends in the burden of interest in debt servicing from 2017 to 2019

(In billion CFAF)	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
External debt servicing	251.37	100	366.35	100	500.49	100
-Capital	118.19	47.02	210.65	57.50	327.87	65.50
-Interests	133.18	52.98	155.70	42.50	172.62	34.50
Internal debt servicing	510.31	100	668.62	100	470.26	100
-Capital	370.28	72.56	621.52	92.96	415.51	88.36
-Interests	140.03	27.44	47.10	7.04	54.75	11.64
Interest/Debt Servicing (%)	35.87		20.53		23.42	

Source: 2017, 2018, and 2019 SB

Interest accounts for 34.50% of external debt servicing and 11.64% of domestic debt servicing. Although the interest burden on external debt shows a downward trend (52.98% in 2017, 42.50% in 2018 and 34.50% in 2019), the fact remains that the interest burden on this debt is far greater than that on domestic debt.

More than a third of foreign debt servicing is devoted to interest payments and not to the repayment of the capital (debt reduction), which is likely to accelerate the State's indebtedness.

3.3.2.3.4. Public debt stock as at 31 December 2019

The outstanding public debt at 31 December 2019 amounted to 8,604¹⁰ billion CFAF, including 6,398 billion CFAF for the stock of external debt (74.36% of the total outstanding amount) and 2,206 billion CFAF for the stock of domestic debt (25.64% of the total outstanding amount), as shown in the table below:

Table 51. Outstanding public debt trends (in billions CFAF)

Description	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Outstanding domestic debt	1,578	25.44	1,644	22.61	2,206	25.64
Outstanding external debt	4,625	74.56	5,628	77.39	6,398	74.36
Total outstanding debt	6,203	100	7,272	100	8,604	100

¹⁰ Excluding guaranteed debt and financial debt of public enterprises.

The total outstanding public debt is up by CFAF 1,332 billion compared to 2018, or an increase of 18.31%.

3.3.2.3.3.5. Trends in Cameroon's debt ratio until 2019

CEMAC has a multilateral surveillance framework¹¹ based on criteria and indicators that make it possible to assess the sustainability of its member States' public debt.

Section 9 of Law N°. 2018/012 of 11 July 2018 on the fiscal regime of the State and other public entities incorporates this constraint in paragraphs 1, 2 and 3, which stipulate that:

“(1) The budgets of public administrations, in particular those of the State and other corporate bodies governed by public law, must be drawn up and financed under conditions that guarantee the sustainability of all Public Finance.”

“(2) Fiscal policy must avoid any excessive deficit. It is based on deficit targets that guarantee the sustainability of public finances in the medium and long term, as provided for in paragraph 1 above. It must take into account the directives on the convergence of economic and financial policies resulting from international and regional conventions, which the Republic of Cameroon adheres to.”

“(3) To this end, the Government shall define a medium-term fiscal policy in accordance with the criteria laid down in the sub-regional conventions governing the Economic and Monetary Community of Central Africa. It also ensures its proper implementation and lends itself to the obligations of multilateral surveillance.”

CEMAC set the debt ratio ceiling at 70 % of GDP.

Table 52. Determination of debt ratio (in billions of CFA francs)

Description	2017	2018	2019
Debt stock	6,255	7,271	8,604
Gross Domestic Product ¹² (GDP) at constant price	19,773.68	20,584.40	21,448.95
Public indebtedness reate	31.63 %	35.32 %	40.11 %

The increase rate in debt ratio averaging four percentage points per year will likely push it beyond the 70% threshold over the next decade. This may jeopardise the sustainability of the State's debt.

The Ministry of Finance reassures that the National Debt Committee, the government body responsible for assessing the appropriateness of public entities' indebtedness, has taken steps to monitor the quality of the debt and the compliance with the criteria set by Community bodies.

¹¹ Four quantitative criteria, in force since 2002, were adopted at the UEAC Council of Ministers on 3 August 2001 in Douala.

¹²Source: DAE Report on the nation's economic, social and financial situation and prospects

3.3.2.3.3.6. Committed Undisbursed Balances (CUBs)

Committed Undisbursed Balances represent the amount of loans Cameroon obtained but did not use. The high amount of CUBs makes the State bear interest charges for unused funds. The table below shows trends in CUBs:

Table 53. Trends in CUBs

Items	31/12/2017	31/12/2018	31/12/2019
CUBs (in billions of CFAF)	4491.2	4167.2	3612 ¹³
Trends in CUBs (%)	14.49	-7.21	-9.81
Outstanding debt	6203	7272	8604
CUBs/Outstanding debt	72.4	57.3	41.98
Loans for the financial year	1,331.60	1425.36	1324.09
CUBs/Loans for the financial year	3.37	2.92	2.73

Sources: SB 2019; CAA, Notes de conjoncture, 21 juillet 2020.

Despite a decrease in CUBs of 9.81% from the 2018 financial year amount, they represent 41.98% of outstanding debt at the end of financial year 2019 and more than twice the amount of borrowing in the same year.

Thus, although the amount of CUBs remains high in the public debt stock, the Government continues to contract new loans whereas the financing previously made available to it by donors remains unspent.

The Ministry of Finance explains this accumulation of CUBs by, among other things, the insufficient maturation of projects and the non-respect of contractual commitments by Cameroon and the donors.

Therefore, the Audit Bench recommends that projects be sufficiently mature before taking out loans for them.

3.3.2.3.3.7. Debt endorsed by the State

Section 6 of Law n°. 2018/022 of 11 December 2018 on the Finance Law of the Republic of Cameroon for the 2019 financial year states that, *“within the framework of the laws and regulations, the Government is authorised to provide, during the 2019 financial year, the State's guarantee to Public Establishments and Public Enterprises for exclusively concessional loans, for a total amount not exceeding CFAF 40 billion.”*

¹³Including budgetary support of CFAF 142 billion.

Table 54. Difference between guarantees granted by the State and the ceiling set by the Finance Law

31/12/2017			31/12/2018			31/12/2019		
Guaranteed debt (A)	Ceiling (B)	Difference (A-B)	Guaranteed debt (A)	Ceiling (B)	Difference (A-B)	Guaranteed debt (A)	Ceiling (B)	Difference (A-B)
51.7	40	+11.2	47	40	+7	37	40	-3

Source: 2017, 2018, 2019 SBs; Notes de conjoncture, 21 juillet 2020.

It should be recalled that the 2017 and 2018 Finance Laws also limited the amount of guarantee to be granted for these years to CFAF 40 billion.

For the first time, in 2019, guarantees granted by the State are below the ceiling set by the Finance Law.

3.3.2.4. State expenditure in favour of decentralisation

State expenditure for decentralisation is detailed in Appendix 8 to SB "State Funding in favour of local authorities."

3.3.2.4.1. Trends in the State financial support to RLAs

The financial support to the RLAs consists essentially of the following:

- transfers in investment and operations paid by the State;
- general allocation for decentralisation (GAD)
- local taxes collected by State bodies
- Equalisation revenues (FEICOM);
- transfers of budgetary appropriations from the ministries to the RLAs, within the framework of transfers of competence.

Trends in the State's financial assistance to RLAs are described in the table below:

Table 55. Trends in the State's financial assistance to RLAs

Nature of the State financial assistance	2018	2019	%
Direct State financial assistance	32,082,114,664	71,606,507,479	123.19
Transfers made by the State			
- investment transfers	NA	1,108,247,417	100
- Operating transfers	22,082,114,664	20,698,260,062	- 6,26
General allocation to decentralisation			
- Operating Budget	5,000,000,000	13,800,000,000	176
- Investment	5,000,000,000	36,000,000,000	620

Indirect financial assistance	159,781,686,754	117,610,000,189	- 26,39
- Local taxes collected by State bodies	59,827,255,588	54,768,396,176	- 8,45
- Equalisation revenues: FEICOM	99,954,431,166	62,841,604,013	- 37,12
Budgetary appropriations transferred to RLAs	62,567,468,000	105,317,013,468	68.32
- Investment	57,140,670,000	93,530,513,000	63.68
- Operating Budget	5,426,798,000	13,739,699,500	153.18
Total	254,431,269,418	294,533,521,136	15.76

Sources: Appendices relating to the State's financial assistance to RLAs, 2018 and 2019

Of the State support for RLAs, only the General Allocation for Decentralisation (GAD) and the budgetary appropriations transferred by ministries to RLAs have increased. For the 2019 financial year, they amount to CFAF 49,800,000,000 and CFAF 105,317,013,468,000 respectively, compared to CFAF 10,000,000,000 and CFAF 62,567,468,000 in the 2018 financial year, an increase rate of 398% and 68.32% respectively.

On the other hand, local taxes collected by State services and equalisation revenue (FEICOM) are declining. For the 2019 financial year, they amount to 54,768,396,176 CFAF and 62,841,604,013 CFAF respectively, compared to 59,827,255,588 CFAF and 99,954,431,166 CFAF in the 2018 financial year. Their respective rates are about -8.45% for local taxes collected by State services and -37.12% for equalisation revenue (FEICOM).

3.3.2.4.2. Transfers made by the State to local authorities

Transfers made by the State to local authorities are payments made to other entities, without any direct counterpart for the State, with the aim of financing operations not involving the purchase of goods and services or subsidies for public service charges.

For the 2019 financial year, the State's devolution expenses to Regional and Local Authorities amounted to CFAF 21,806,507,479, broken down as follows:

- CFAF 1,108,247,417 in capital;
- CFAF 20,698,260,062 in running budget.

However, no document providing details on the distribution of these funds has reached the Audit Bench.

The explanations provided by the Ministry of Finance answer the question of credits transferred by ministries to RLAs. However, They do not provide details on the distribution of direct transfers without counterparts to local authorities for CFAF 21,806,507,479, which is the subject of Title I-A of Appendix 8 to SB.

3.3.2.4.3. General allocation for decentralisation (GAD)

Under the terms of Article 11 (1) of Decree n°. 2009/248 of 05 August 2009 setting the modalities of evaluation and distribution of the general allocation for decentralisation "The General Operating Allocation (GOA) is intended primarily for:

- certain compulsory expenditure of regional and local authorities and their establishments, in particular salaries of staff and elected representatives;
- the partial financing of operating expenses resulting from the exercise of powers transferred by the State.”

According to Article 4 of Decree n°. 2019/0829/PM of 22 February 2019, establishing the distribution of the general allocation for decentralisation for the fiscal year 2019, some expenditures were executed. These are the following, taken from Table 1 of appendix 8 to the SB:

Table 56. Allocation and use by item of certain expenses of the GOA in 2019.

No.	Items	Forecasts	Consumption	Execution rate
2	Provisions for remuneration of the president and members of regional councils	2,000,000,000	2,000,000,000	100 %
3	Start-up provisions for regional councils	5,000,000,000	5,000,000,000	100 %
10	Funding of training seminars for new local elected officials	300,000,000	300,000,000	100 %

None of the activities listed in the above table concerning regional councils and newly local elected officials was held in 2019. Therefore, the related expenditure is not justified.

The Ministry of Finance explained that credits initially planned (CFAF 7 billion) to finance the launching of regional councils were used for some RLAs mandatory expenses like the salaries of local elected officials. They also covered expenses related to the functioning of some organs involved in the decentralisation process like the National Decentralisation Committee, the Inter-ministerial Committee on Local Services and the National Committee on Local Finance.

For the Audit Bench, the remuneration of local elected officials is a fixed charge that cannot vary during the year.

In addition, operating expenses related to the National Decentralisation Committee, the Inter-ministerial Committee on Local Services and the National Committee on Local Finance had already been budgeted and consumed according to the distribution set by Decree n°. 2019/0829/PM of 22 February 2019.

Under these conditions and in the absence of justification of the reorientation of these 7 billion CFA francs, the Audit Bench expressed reservations about their use.

3.3.2.4.4. Additional Council Taxes from direct payments to be distributed (FEICOM)

Additional Council Taxes from direct payments to be distributed (FEICOM) listed in appendix 8 to State financial support for RLAs amount to 50,219,620,856 CFAF.

However, the Trial Balance shows that the said taxes (480026: ACT from direct payments to be distributed FEICOM) amount to CFAF 50 203 669 064.

This is likely to reduce the value of the Additional Council Taxes from direct payments to be distributed by CFAF 15,951,792, which would reduce the value of revenues collected at the State level and transferred to RLAs from CFAF 117,610,000,189 to CFAF 117,594,048,397.

Ultimately, the resources transferred to local authorities in 2018 and 2019 are summarised in the table below:

Table 57. Summary of the State financial assistance in 2019

Financial assistance	2018 (1)	2019 (2)	Difference (2) – (1)
General allocation for decentralisation	10,000,000,000	49,800,000,000	39,800,000,000
Transfers	22,082,114,664	21,806,507,479	-275,607,185
Indirect tax transfers (FEICOM)	159,781,686,754	1 17,610,000 189	-42,471,686,565
Appropriations transferred to RLAS by the central State	62,567,468,000	105,317,013,468	-42,749,545,468
Total	254,431,269,418	294,533,521,136	40,102,259,718

Sources: Appendix 8 to the SB

As at December 31, 2019, the total amount of resources transferred to RLAs was 294,533,521,136 CFAF, representing 5.71% of the year's total expenditure of 5,156,016,607,127 CFAF, an increase of 40,102,251,718 CFAF (15.76%) from the previous year's total of 254,431,269,418 CFAF.

4. Special Appropriation Account (SAA)

The principle of budgetary universality provided for by Section 4 paragraph 3 of Law N°. 2018/012 of 11 July 2018 on the Fiscal Regime of the State and other public entities requires that all revenues be used to execute all expenditures.

However, exceptions to this principle allow for special appropriations, which may take the form of annexe budgets, competition funds, and special Treasury accounts, of which the Special Appropriation Accounts is a variant.

Section 47 (1) of the same law specifies that Special Appropriation Accounts shall show, under conditions provided for in Finance Laws, budgetary transactions financed by special revenue which are by nature related to the expenses concerned.

In accordance with Section 44 of the same law, Law N°. 2018/022 of 11 December 2018 establishing the Finance Law of the Republic of Cameroon for the 2019 financial year, in section 60, Chapter 2, Part Two, opened twelve (12) Special Appropriation Accounts for CFAF 45,500,000,000.

4.1. Presentation of Special Appropriation Accounts

Section 21 paragraph 1 of the Law mentioned above N°. 2018/012 of 11 July 2018 stipulates that, " *The following are attached to the Settlement Bill: explanatory annexes giving, for each annexe budget and special account, the final amount of revenue and expenditure established, appropriations authorised or overdrafts authorised, as well as the changes in the requested overdrafts...*".

Appropriation accounts opened by the Finance Law as well as their respective allocations are presented in the table below:

Table 58. Presentation of SAAs

No.	Special Appropriation Account	Initial allocations
1	Support Fund for victims of disasters and natural calamities	2,000,000,000
2	Special Appropriation Account for the Regulation of Public Contracts	8,000,000,000
3	Special Appropriation Account for support to Cultural Policy	1,000,000,000
4	Special Appropriation Account for the Modernisation of Research in State Universities	10,500,000,000
5	Special Appropriation Account for support to touristic activities	1,000,000,000
6	Seed Fund	1,000,000,000
7	Special Appropriation Account for financing Sustainable Water and sanitation Development Projects	500,000,000
8	Forestry Development Fund	2,000,000,000
9	Special Appropriation Account for the Development of Telecommunications	14,000,000,000
10	Special Fund for Electronic Security	1,000,000,000
11	Special Appropriation Account for the development of the Postal Sector	1,000,000,000
12	Special Appropriation Account for the production of secured transport documents	3,500,000,000
Total		45,500,000,000

Source : 2019 Finance Law

4.2. Execution of transactions of Special Appropriation Accounts

The execution of operations of Special Appropriation Accounts shall comprise revenue and expenditure operations. The table below shows these operations:

Table 59. State of achievement of revenue and expenditure

No.	Special Appropriation Account	Initial allocations	Revenue		Expenditure	
			Execution	Execution rate	Execution	Execution rate (%)
1	Support Fund for victims of disasters and natural calamities	2,000,000,000	2,000,000,000	100.00	2,310,000,000	115.50
2	Special Appropriation Account for the Regulation of Public Contracts	8,000,000,000	6,524,808,828	81.56	6,998,503, 053	87.48
3	Special Appropriation Account for support to Cultural Policy	1,000,000,000	1,013,537, 000	101.35	986,046, 128	98.60
4	Special Appropriation Account for the Modernisation of Research in State Universities	10,500,000,000	13,125,000, 000	125.00	11,524,041, 994	109.75
5	Special Appropriation Account for support to touristic activity	1,000,000,000	1,073,854, 500	107.38	1,085,622, 030	108.56
6	Seed Fund	1,000,000,000	1,536,620, 536	153.66	1,555,584, 007	1 55.5 5
7	Special Appropriation Account for financing Sustainable Water and sanitation Development Projects	500,000,000	282,835, 500	56.57	321,518, 168	64.30
8	Forestry Development Fund	2,000,000,000	1,706,992, 541	85.34	1,979,865, 354	98.99
9	Special Appropriation Account for the Development of Telecommunications	14,000,000,000	17,000,000, 000	121.42	0	0
10	Special Fund for Electronic Security	1,000,000,000	0	0	0	0
11	Special Appropriation Account for the development of the Postal Sector	1,000,000,000	474,184, 999	47.41	563,087,058	56.30
12	Special Appropriation Account for the production of secured transport documents	3,500,000,000	3,303,190, 433	94.38	3,498,911, 447	99.97
Total		45,500,000,000	48,041,024, 619	105.58	30,823,179, 239	62.67

Source: SB 2019

For the 2019 financial year, the said accounts received revenue of CFAF 48,041,024,619 out of a total forecast of CFAF 45,500,000, an execution rate of 105.58 %.

Expenditure was executed for 30,823,179 CFA francs, representing an execution rate of 62.67 % compared to the forecasts.

It should be noted that following the previous recommendations of the Audit Bench, some SAAs such as "*the Road User charge*" and "*Fees paid by autonomous ports to the National Ports Authority*" whose management was merged with that of their PAE have been removed from the list of SAAs since the 2018 Finance Law.

Similarly, a number of improvements have been made in the management of the SAAs by Law n°. 2018/012 of 11 July 2018 on the Financial Regime of the State and other public entities.

Thus, subsidies are now granted up to a limit of 10% of initial appropriations (Section 47 (2)).

Furthermore, additional appropriations may be opened by order of the Minister of Finance up to the limit of the surplus of revenue recorded over forecasts (Section 47 paragraph 4). Finally, the cash surpluses recorded at the end of the financial year on SAA are no longer included in the general result of the year. However, they can be carried over to the following financial year of SAA (Section 47 (5)).

However, some irregularities persist and continue to call for the following observations:

- the overrun of ceilings;
- the allocation of grants beyond the authorised threshold;
- the payment of non-eligible expenditures for SAAs;
- the absence of a status report on the execution of the budget of the "*Special Telecommunications Fund*" and the "*Special Fund for Electronic Security*";
- the failure to carry over balances;
- the non-integration of cash balances with the overall result;
- the confusion in the management of the resources of the ARMP with those of its SAA.

4.3. Overrun of ceilings

Section 46 (1) of Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other Public Entities states that, "*Without prejudice to the special rules laid down in Articles 47 and 48 below, the special account transactions shall be provided, authorised and executed under the same conditions as those of the general budget.*"

4.3.1. Overrun of revenue

A review of the Settlement Bill for the 2019 financial year reveals that four (4) Special Appropriation Accounts did not respect the revenue ceiling set out in the Finance Law as shown in the table below:

Table 60. Overrun of revenue

No.	Special Appropriation Account	Initial allocations	Execution	Overrun	
				In absolute value	In relative value %
1	Special Appropriation Account for support to Cultural Policy	1,000,000, 000	1,013,537,000	13,537, 000	1.35

2	Special Appropriation Account for the Modernisation of Research in State Universities	10,500,000, 000	13,125,000, 000	2,625,000,000	25
3	Special Appropriation Account for support to touristic activity	1,000,000,000	1,073,854, 500	73,854, 500	7.39
4	Seed Fund	1,000,000,000	1,536,620, 536	536,620, 536	53.66
Total		13,500,000,000	16,749,012, 036	3,249,012, 036	24.07

Sources: 2019 Settlement Bill

4.3.2. Overrun on expenditure

Section 47 (4) of Law n°. 2018/012 of 11 July 2018 provides as follows, *"During a financial year, the total expenditure paid under a Special Appropriation Account may not exceed the total revenue recognised. Where, in the course of the year, effective revenue exceeds Finance Law estimates, additional appropriations may be opened, by order of the Minister in charge of Finance, within the limit of this surplus."*

Four (4) Special Appropriation Accounts experienced an overrun of the expenditure ceiling as provided for by the Finance Law for a total amount of FCFA 16,475,248,031 compared to the 2018 financial year when only the "seed fund" Special Appropriation Account experienced an overrun of the expenditure ceiling for an amount of FCFA 644,944,069.

Table 61. Overrun on expenditure

No.	Special Appropriation Account	Initial allocations	Execution	Overrun	
				In absolute value	In relative value %
1	Support Fund for victims of disasters and natural calamities	2,000,000,000	2,310,000, 000	310,000, 000	15.50
2	Special Appropriation Account for the Modernisation of Research in State Universities	10,500,000, 000	11,524,041,994	1,024,041, 994	9.75
3	Special Appropriation Account for support to Cultural Policy	1,000,000,000	1,085,622,030	85,622, 030	8.56
4	Seed Fund	1,000,000,000	1,555,584,007	555,584, 007	55.66
Total		14,500,000,000	16,475,248, 031	1,975,248, 031	13.62

Sources: 2019 Settlement Bill

The Settlement Bill shows that no order authorising the opening of supplementary appropriations was produced to support the overruns of appropriations as provided for in Section 47, paragraph 4, quoted above.

4.4. Allocations of subsidies to Special Appropriation Accounts

Section 47 (1) of Law n°. 2018/012 of 11 July 2018 specifies that, "Special Appropriation Accounts shall show, under conditions provided for in Finance Laws, budgetary transactions financed by special revenue which are by nature related to the expenses concerned."

However, paragraph (2) of the same section states that, "*the revenues of a special appropriation account may be supplemented by payments from the general budget, up to a limit of 10% of the initial appropriations of each account.*"

Concerning Appendix No. 4 on the situation of the Special Appropriation Accounts, seven (7) Special Appropriation Accounts were supplemented by payments from the general budget. However, these payments exceed the 10% limit of the initial appropriations of these accounts, as shown in the table below.

Table 62. Subsidies granted to Special Appropriation Accounts

No.	Special Appropriation Account	Decrees	Initial allocations	Subsidies received from the general budget	
				Absolute value	Relative value %
1	Support Fund for victims of disasters and natural calamities	-	2,000,000,000	2,000,000,000	100
2	Special Appropriation Account for the Regulation of Public Contracts	n°.2005/5155/pm of 30 November 2005	8,000,000,000	1,500,000,000	18.75
3	Special Appropriation Account for support to Cultural Policy	n°. 2001/389 of 3 December 2001	1,000,000,000	1,000,000,000	100
4	Special Appropriation Account for the Modernisation of Research in State Universities	n°. 2009/121 of 08 April 2009	10,500,000,000	13,125,000,000	125
5	Special Appropriation Account for support to touristic activity	n°. 99/111 of 27 May 1999	1,000,000,000	1,000,000,000	100
6	Seed Fund	n°. 2005/169 of 26 May 2005	1,000,000,000	1,445,000,000	114.5
7	Forestry Development Fund	n°. 96-237-pm of 10 April 1996	2,000,000,000	1,500,000,000	75
Total			25,500,000,000	21,570,000,000	84.59

Sources: 2019 Settlement Bill

Notwithstanding the various observations of the Audit Bench on this point, not only do some Special Appropriation Account not comply with the authorised subsidy ceiling, including the "*Special Appropriation Account for the Regulation of Public Contracts,*" the "*Special Appropriation Account for support to Cultural Policy,*" the "*Special Appropriation Account for support of Tourism,*" the "*Seed Fund*" and the "*Special Fund for Forestry Development,*" others are created and operated without earmarking "special revenue," such as the "*Support*"

Fund to victims of disasters and natural calamities" and the "Special Appropriation Account for the modernisation of research in State Universities."

4.5. Expenditure not related to the assigned revenue.

In violation of Section 47 (1) of Law n°.2018/012 referred to above, miscellaneous expenditures not directly linked to assigned revenue was made in four (4) Special Appropriation Accounts as shown in the table below:

Table 63. Expenditure not directly related to the assigned revenue

No.	Special Appropriation Account	Description	Amount
1	Public Contracts Regulatory Agency	Celebrations and ceremonies	37,502,420
		Allowances to members of the board of directors	14,044,944
		Exceptional aid and relief	4,700,000
		Funeral expenses	4,000,000
		Board of Directors	11,377, 926
2	Support for tourism activity	Sovereignty fund MINETAT	17,000,000
3	Special Fund for Forestry Development	Entertainment expenses	63,981,835
		Hospitalisation expenses, hotel expenses	14,990,075
4	Development of the postal sector	Entertainment expenses	75,998,621
Total			243,595,821

Source: 2019 SB appendices

4.6. Payment of salaries and sundry allowances from some Special Appropriation Accounts

Section 45 of Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other Public Entities states that, *"Except for the case referred to in Section 50 of this law, it shall be forbidden to charge directly to a special account any expenditure resulting from payment of wages, salaries, allowances and sundry entitlements to staff members."*

However, section 50 of the same law provides that, *"financing provided in the form of donations by international donors which, by exception to section 3 of this law and on a transitional basis cannot be paid as revenue of the general budget shall be managed:*

- a. Either, in the case of regular financing, in special appropriation accounts, created by group of investment projects, grouping together the financing of one or,*
- b. where appropriate, several international donors. As an exception to the provisions of:*

- *section 45 of this Law, expenditures for salaries, wages, allowances and sundry entitlements for staff may be charged to such special appropriation accounts ...".*

Upon review of the appendices, the special appropriation accounts listed in the table below, which do not fall within the exception of section 50 above, recorded payments of miscellaneous allowances in violation of the above-mentioned legal provisions.

Table 64. Sundry allowances and entitlements paid by Special Appropriation Accounts

No.	Appropriation Account	Nature of expenditure	Amount
1	SAA-ARMP	Bonuses and discounts (pensions, medals)	17,992,531
		Allowances for normal end of working life	138,581,065
		Gross salaries	3,200,000,000
		Staff arrears	7,264,530
		Payments to NSIF/CNPS (employer contributions)	310,843,306
		Allowances to members of the board of directors	14,044,944
		Total 1	3,688,726,376
2	Special Appropriation Account for the Modernisation of Research in State Universities	Research Allowances	11,524,041,994
		Total 2	11,524,041,994
3	Special appropriation account for the Special Forestry Development Fund	Bonuses and premiums	44,970,000
		Specific allowances	94,628,254
		Total 3	139,598,254
4	Special Appropriation Account for the production of secured transport documents	Recovery input allowances	50,000,000
		Total 4	50,000,000
Total			15,402,366,624

Sources: 2019 Settlement Bill

4.7. Absence of a report on the execution of the budget of the Special Telecommunications Fund" and the "Special Fund for Electronic Security

Law n°. 2018/022 of 11 December 2018 on the Finance Law for the 2019 financial year set the ceilings for the revenue allocated to the "Special Telecommunications Fund" and the "Special Fund for Electronic Activities" at CFAF 14,000,000,000 and 1,000,000,000 CFAF, respectively.

From the appendix to the Settlement Bill, the status reports on the execution of the budget of these Special Appropriation Accounts was not produced due to the non-validation of the said budget.

Thus:

- An amount of FCFA 17,000,000,000 was deposited into the bank account of the "Special Telecommunications Fund" at CBC by operators and contractors of electronic communications networks, but no information is given about their use (it should be noted that in 2018, 14,486,433,943 FCFA were collected, still without information on their use);

- regarding the "*Special fund for electronic activities*," no information is available either about the amount recovered or the destination of the 1.5% contributions levied on the pre-tax turnover of security auditors, security software auditors and other security service providers.

4.8. Carry over balances

Section 46 (1) of Law n°. 2018/012 of 11 July 2018 mentioned above states that, "*Unless otherwise specified by Finance Laws, the balance of each special account shall be carried forward to the following year.*"

In 2018, the number of Special Appropriations with improperly reported balances decreased from thirteen (13) in 2017 to six (6) in 2018. However, this trend did not continue in 2019 where no balance of the twelve (12) Special Appropriation Accounts was carried over as illustrated in the table below:

Table 65. No carry-over of balances at the beginning of 2019

No.	Special Appropriation Account	Balance at the end of 2018 (1)	Balance carried over to early 2019 (2)	Differences in the carryover balances (1-2) of
1	Support Fund for victims of disasters and natural calamities	1,094,811,077	0	1,094,811,077
2	Special Appropriation Account for the Regulation of Public Contracts	609,009,982	0	609,009,982
3	Special Appropriation Account for support to Cultural Policy	47,156,731	0	47,156,731
4	Special Appropriation Account for the Modernisation of Research in State Universities	513,346,792	0	513,346,792
5	Special Appropriation Account for support to touristic activity	752,544,514	0	752,544,514
6	Seed Fund	983,817,899	0	983,817,899
7	Special Appropriation Account for financing Sustainable Water and sanitation Development Projects	251,373,663	0	251,373,663
8	Forestry Development Fund	639,115,295	0	639,115,295
9	Special Appropriation Account for the Development of Telecommunications	Not determined	0	-
10	Special Fund for Electronic Security	1,769,612,048	0	1,769,612,048
11	Special Appropriation Account for the development of the Postal Sector	259,724,497	0	259,724,497
12	Special Appropriation Account for the production of secured transport documents	857,290,798	0	857,290,798
Total		7,777,803,296	0	7,777,803,296

Source: Appendices of the 2018 and 2019 Settlement Bills

This situation does not allow for an accurate assessment of the cash position of these special appropriation accounts.

4.9. Determining the cash balance of Special Appropriation Accounts

Section 47 paragraph 5 of Law n°. 2018/012 of 11 July 2018 provides as follows "*Payment appropriations available at the end of the year in a Special Appropriation Account may be carried over to the following year up to the limit of the cash surplus, if any, at the end of the year in the Special Appropriation Account concerned.*"

Upon review of the appendices to the Settlement Bill, the cash balances on 31 December 2019 of the Special Appropriation Account have not been determined, making it impossible to know the amount of payment appropriations, if any, to be carried over to the following fiscal year.

This situation reflects a violation of the principles of sincerity and transparency in budget and accounting management.

5. Confusion in the management of ARMP's resources with those of its Special Appropriation Account

As noted in previous years, the management of the Special Appropriation Account opened at ARMP is confounded with that of the other resources of this public administrative establishment. Thus, the funds allocated to the *Special Allocation Account for the Regulation of Public Contracts* are used to manage the ordinary operation of this PAE.

Concerning all the situations relating to the operation of Special Appropriation Accounts, the Ministry of Finance informed that a working group was set up in 2019 to identify the Special Appropriation Accounts eligible under the Law on the Fiscal Regime of the State and other public entities. It added that as of 2020, guidelines would be set to close definitively non-eligible accounts and transfer them to the State's general budget.

The Audit Bench noted this commitment to improving the functioning of Special Appropriation Accounts.

Paragraph 2. Opinion of the Audit Bench on the Settlement Bill of the 2009 Financial Year

The work carried out in preparing the report on the execution of the Finance Law based on the Settlement Bill transmitted to the Audit Bench led to observations concerning :

- the review of the macroeconomic context in which the budget was executed;
- the presentation of the Settlement Bill
- the execution of the Finance Law in terms of revenue;
- the execution of the Finance Law in terms of expenditure;
- the analysis of the budget balance;
- the review of Special Appropriation Accounts.

Regarding the macroeconomic context, it is established that in 2019, the Government's forecast of a growth rate of 4.4 % was too optimistic given that the growth rate achieved is 3.7 %. Indeed, Cameroon's economy suffered from the persistence of socio-political and security crises, particularly in the North-West and South-West Regions. However, the implementation of the economic and financial programme agreed with the IMF made it possible to stabilise the economy.

Regarding the presentation of the Settlement Bill, the Audit Bench notes an improvement in the form and content of the documents produced by the Ministry of Finance. These are essentially in line with the 2018 fiscal regime. However, the Settlement Bill did not reach the Financial Institution within the time limit agreed with the Ministry of Finance.

Concerning the execution of budget revenue, the Audit Bench notes an overall execution rate of 91.65 %, a decline of 8.75 points compared to 2018. Nevertheless, it was observed that the potential of certain revenues was underestimated. Particularly those relating to *"Accessory sales of goods," "Other dues and taxes not indicated elsewhere", and "Fines and condemnations."* In addition, other revenue experienced abnormally low collections given their nature. These include Fees for examinations and competitive examinations (CFAF 23,000), Fees for issuance of vehicle registration certificates (CFAF 20,000), Sales of farm products (CFAF 70,000), Revenue from cultural shows (CFAF 2,000), Vehicle Inspection fees (CFAF 374,300), and tuition fees in training schools (CFAF 215,250). In addition, the principles of completeness and sincerity of the Settlement Bill was altered by the non-accounting of revenues collected through compensation from SONARA before 2013. Similarly, the Audit Bench observes that discrepancies between the data in the Settlement Bill and those in the income statement persist.

The budgetary expenditure for the 2019 financial year amounted to CFAF 5,156.016 billion, comprising CFAF 1,395.012 billion for investment, CFAF 2,379. Six hundred and ninety-two billion for operating expenses and CFAF 1,034. Nine hundred and eighty-four billion for debt servicing. The Audit Bench notes that some expenditures were made without prior authorization. The Prime Minister's advance decrees were issued after their execution. It also notes a difference of one (01) billion CFA francs between the accounting entries for expenses resulting from payment of wages contained in the SB and those contained in the balance of accounts as at 31 December 2019. Concerning the execution of externally funded projects (EXFIN), the Audit Bench observes overruns of appropriations and unjustified balances of calls-for-funds issued at the end of the 2019 financial year.

In the 2019 financial year, expenditure on decentralisation amounted to 294.533 billion CFAF or 5.71 % of the State budget. However, the Audit Bench notes that expenditures of CFAF 7 billion planned for Regional Councils were reallocated, without prior authorisation, to the remuneration of local elected officials and to the functioning of certain committees responsible for implementing decentralisation. It also has reservations about the use of these funds.

As far as the public debt is concerned, the Audit Bench notes that it stands at 8 604 billion, or 40.11 % of GDP. This debt ratio remains below the Community threshold of 70% of GDP. However, it notes that the State's debt is growing faster than its own-source revenue and

that CUBs remain important even though they have decreased by 9.81 % compared to the previous year with an amount of 3,612 billion in 2019. These factors are likely to affect the sustainability of the public debt in the long term.

Concerning the budget balance, it was calculated, unlike previous years, which were governed by Law n°. 2007/006 of 26 December 2007, based on sections 25 and 28 of Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other Public Entities, which determine the categories of State revenue and expenditure that enter into its calculation. It has a deficit of CFAF 781 914 255 022. However, the Audit Bench observes the persistence of the poor carry-over of balances of accounts year after year. This alters the sincerity of the General Account of the State and consequently that of the Settlement Bill. It notes the need to continue implementing rigorous measures to improve the use of accounts 45 "deposit of entities."

Regarding the Special Appropriation Accounts, the consolidation promised by the Ministry of Finance is still not effective. Thus, the Audit Bench still observes the overrun of the ceilings of authorisations, the granting of subsidies, the payment of expenses without relation to the assigned revenue, the confusion in the management of ARMP resources with that of its Special Appropriation Accounts in violation of the legal provisions. In addition, no information is provided on the use of the 17 billion CFAF received in 2019 by the Special Telecommunications Fund.

CONCLUSION

Notwithstanding the above observations and given the progress made in the report on the execution of the State budget, the Audit Bench of the Supreme Court believes that Parliament should adopt the Settlement Bill for the 2019 financial year.

SECTION 2. THE CERTIFICATION REPORT ON THE GENERAL ACCOUNT OF THE STATE FOR THE 2019 FINANCIAL YEAR

Section 21 (1) (i) of Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other public entities provides that, *"Attached to the settlement bill shall be... a report from the Audit Bench on the execution of the Finance Law accompanied by a certification of the regularity, sincerity and accuracy of the State accounts;"*.

In addition, Articles 125 and 126 of Decree n°. 2013/160 of 15 May 2013 relating to the General Rules governing Public Accounting indicate that the Minister in charge of Finance shall submit to the accounts jurisdiction the general accounts of the State in support of the Settlement Bill which is communicated to it annually. The Audit Bench shall give an opinion on the Settlement Bill and produce a certification report on the General Accounts of the State.

Under these instruments, the Minister of Finance, by correspondence n°. 20/006378/MINFI/SG/DGTCFM/DCP of 1 October 2020, transmitted to the Audit Bench the Settlement Bill as well as the General Account of the State for the 2019 fiscal year.

The Audit Bench's work consisted of the production of a report on the execution of the Finance Law of the said financial year together with its opinion on the said project and in the certification of the General Account of the State.

The Audit Bench verified the content and drafting of the General Account of the State, and following the established certification method, adopted gave its opinion.

2.1. THE CONTENT OF THE GENERAL ACCOUNT OF THE STATE FOR THE 2019 FINANCIAL YEAR

Under Section 75 (1) of Law n°. 2018/012 of 11 July 2018, the State shall keep general accounting based on the establishment of rights and obligations in addition to budgetary and cost accounting based on the principle of the establishment of rights and obligations in all State operations.

Decree n°. 2013/160 of 15 May 2013 above provides in its Article 126 (125) that, *"The General Account of the State shall include the Trial balance of accounts of the State and the financial statements, in particular the balance sheet, the income statement, the cash flow statement and the annexed statement."* Similarly, In the same vein, Section 21 (1) of Law N°. 2018/012 of 11 July 2018 adds that *"Attached to the settlement bill shall be: ...The General Account of the State comprising the Trial balance of accounts for the year and the financial statements (balance sheet, income statements, cash flow table and annexed statement) under the conditions defined by the General Rules on Public Accounting..."*

The General Account of the State for the year under review shall include:

- *the account balance;*
- *the balance sheet;*
- *income statements;*
- *the summary statement of budgetary execution for revenues;*

- *the summary statement of budgetary execution for expenditure;*
- *the statement of accounts of correspondents;*
- *the cash flow table."*

2.2. DRAFTING OF THE GENERAL ACCOUNT OF THE STATE FOR THE 2019 FINANCIAL YEAR

The General Account of the State for the 2019 financial year, from the point of view of its presentation, did not comply with the provisions of Section 21 (1) (f) of Law n°. 2018/012 of 11 July 2018 on the Financial Regime of the State and Other Public Entities and Articles 125 and 126 of Decree n°. 2013/160 of 15 May 2013 on the General Regulation of Public Accounting.

In addition, the accounting standards and principles governing the General Accounting of the State were not observed by the Ministry of Finance, particularly the rules and procedures arising from the principle of the establishment of rights and obligations and patrimonial accounting.

Admittedly, the legal or regulatory provisions that prescribe these standards and procedures are "*applied progressively*"¹⁴ "*with effect from 1 January 2022*"¹⁵.

However, the General Account of the State must accompany the Settlement Bill under the provisions of Section 21 (1) of Law n°. 2018/012 of 11 July 2018 relating to the Financial Regime of the State and other public entities.

The certification mission must consider the level of appropriation and application of the rules and procedures deriving from the principle of establishment of rights and obligations and the patrimonial accounting governing general accounting, pending the publication of the regulatory texts announced in the law mentioned above.

The work of the Audit Bench is part of a constructive approach to support the gradual implementation of the public finance reform.

2.3. CERTIFICATION METHODOLOGY

The Audit Bench conducted its audits following national and international ISSAI standards. These define Certification as an annual mission necessitating continuous dialogue with the administration.

This approach was not possible within the certification mission of the 2019 financial year for some of the reasons discussed for several years, namely:

- the implementation of patrimonial accounting yet to be completed;
- the "*experimental*" nature of the General Account of the State;
- modalities of the interim audits of the Audit Bench during the execution of the budget to assess the risks of material errors in accounts, the effectiveness of internal

¹⁴Decree n°. 2013/160 of 15 May 2013 on the general regulation of public accounting

¹⁵Law n°. 2018/012 of 11 July 2018 on the financial regime of the State and other public entities

- control mechanisms and the correct application of budgetary and accounting procedures, not yet defined between the Audit Bench and the Ministry of Finance;
- limited material and financial resources.

2.4. OPINION OF THE AUDIT BENCH ON THE GENERAL ACCOUNT OF THE STATE FOR THE 2019 FINANCIAL YEAR

Section 86 (3) of Law n°. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other Public Entities provides that the mission of the Audit Bench is to "*certify the regularity, sincerity, and faithfulness of the General Account of the State.*" For this to take place, the Audit Bench notably verifies, on the one hand, the respect for the principles which govern the preparation of the said statements and, on the other hand, the exactness and coherence of transactions recorded in these financial statements.

At the end of its work, the Audit Bench concluded that the review of the General Account of the State for the 2019 financial year submitted to it by the Ministry of Finance in accompaniment to the Settlement Bill of the same financial year was done on an experimental basis while in view of the implementation of the accrual accounting system as of 2022.

The review of the General Account of the State for 2019 repeatedly highlights anomalies and shortcomings observed in the following areas:

- absence of an inventory of the State's heritage and its evaluation;
- absence of depreciation and provision on certain elements of assets;
- unfaithful carry-over of balances of accrual accounts;
- non-recognition for revenue collected through compensation;
- absence of information on certain revenue and expenditure.
- abnormal sense of some balances;
- accounts with cumulative negative debit or credit movements in the balance;
- unadjusted accounting deficits;
- non-regularisation of bank checks rejected during clearance;
- inconsistencies in the clearance of expenditure to be regularised;
- inconsistency between some accounts in the trial balance of accounts;
- discrepancy between the figures in the trial balance of accounts and those in the Settlement Bill;
- uncertainty of the amounts in the cash flow table

Given these anomalies, the Audit Institution recommended the implementation of a new State accounting framework in compliance with which the General Account of the State will be eligible for certification.

Therefore, the Audit Bench of the Supreme Court considered that the General Account of the State for the 2019 financial year was not eligible for certification as it stood

SECTION 3. REPORT ON THE AUDIT OF THE FINANCIAL FLOWS OF THE COMPETITIVENESS AND ECONOMIC GROWTH SUPPORT PROGRAMME (PACCE), PHASE III

In 2019, the African Development Bank (AfDB) ceased the Audit Bench of the Supreme Court to audit the financial flows of the Competitiveness and Economic Growth Support Program (PACCE III).

This audit, relating to the management of loan n^o. 2000200004657 signed on 19 December 2019 between the Republic of Cameroon and the AfDB in the amount of Euro 80,400,000 or about CFA franc 52,742,400,000, aimed at financing phase III of the said programme.

In carrying out this mission following national and international auditing standards, the Audit Bench requested and obtained numerous documents from:

- the National Directorate of the Bank of Central African States (BEAC);
- the Minister of Economy, Planning and Regional Development,
- the Ministry of Finance

At the end of their careful exploitation, the Audit Institution did not find any anomalies in the financial flows:

- From the AfDB to the special deposit account "*Competitiveness and Economic Growth Support Programme PHASE III*" opened at BEAC;
- From the special deposit account "*Competitiveness and Economic Growth Support Programme PHASE III*" held at BEAC to the Treasury's current account.

On the other hand, the audit of the financial flows of the Treasury's current account for the actual financing of the programme came up against the principle of Single State Treasury and the global formulation of the programme's components, which does not allow for direct identification of the source of financing for the programme's components.

Therefore, the Audit Bench was unable to rule on the use of the African Development Bank (AfDB) funds for the exclusive payment of expenses for the components of the Competitiveness and Economic Growth Support Programme (PACCE III).

3.1. AUDIT METHODOLOGY

The Audit Bench conducted its audits following national and international ISSAI standards. Thus, the audit was carried out in compliance with the principles in force in the Supreme Audit Institution, which are: respect for adversarial procedure, objectivity, honour and consideration of individuals.

The discussions focused on the following points:

- Analysis of the financial flows of the Competitiveness and Economic Growth Support Programme phase III)

- Financial flows from the "Special Deposit-Phase III Competitiveness and Economic Growth Support Programme" account to the "Public Treasury Current Account
- Financial flows from the "Special Deposit-Phase III Competitiveness and Economic Growth Support Programme" account to the "Public Treasury Current Account
- Financial flows of the "Treasury Current Account" for the financing of the State Budget

3.1.1. Analysis of the financial flows of the Competitiveness and Economic Growth Support Programme (PACCE III)

➤ The Financial Flow Analysis Diagram

They notably include:

- **Loan conditions**

The disbursement of funds from the AfDB loan requires the satisfaction by the borrower, the State of Cameroon, of certain conditions, with the two main ones emerging from sections 4.01 and 4.06 of the Loan Agreement. The first refers to section 12.01 of the AfDB General Conditions for Loan and Grant Agreements on the empowerment of the borrower's representative. The second concerns proof of the existence of a Treasury account opened with the National Directorate of BEAC to receive the loan resources.

- **Authorisation of the borrower's representative**

Section 4.01 of the Loan Agreement refers to Section 12.01 of AfDB's General Conditions for Loan and Grant Agreements, which states that "*the Loan Agreement has been signed by a duly authorised representative on behalf of the Borrower that it has been ratified, approved or accepted, or where applicable, authorised, in accordance with its internal rules, including its constitutional or regulatory provisions, and that it constitutes a valid and binding commitment of the Borrower without any restrictions or reservations.*"

Thus, by Decree n°. 2019/671 of 12 December 2019 of the President of the Republic of Cameroon, the Minister of Economy, Planning and Regional Development was duly empowered to sign a loan agreement with the African Development Bank (AfDB) in the amount of EUR 80,400,000, or about CFAF 52,742,400,000, for the partial financing of the third phase of the Competitiveness and Economic Growth Support Programme (PACCE III).

- **Existence of a Treasury account at BEAC to receive the loan resources**

This requirement in the Loan Agreement in Section 4.06 reads as follows "*... the Bank's obligation to make the first disbursement of the loan is subject to the Borrower's satisfaction of the following conditions:*

- a) *submission of evidence of the existence of a Treasury account opened at the Bank of Central African States (BEAC) to receive the loan resources.*"

To this end, an agreement for the opening and operation of account n°. 10.312701.0.1070 "*Special deposit-Competitiveness and Economic Growth Support Programme PHASE III*" at BEAC signed on 15 February 2020 was produced. Article 1 of that agreement stipulates that

the said account shall be "... intended to receive resources from financing agreements concluded with the African Development Bank (AfDB) for budgetary support".

Satisfaction of these conditions paved the way for the disbursement of loan funds.

However, the Audit Bench observed that account n°. 10.312701.0.1070 "*Special deposit-Competitiveness and Economic Growth Support Programme PHASE III*" opened at BEAC on 15 February 2020, is different from account n°. 10.312601.1049 special deposit "*Competitiveness and Economic Growth Support Programme PHASE II*" already opened at BEAC on 10 June 2019 and which has a balance of CFAF 147,566,125 as of today.

The Audit Bench questioned the relevance of opening a second account for supports of the same nature.

➤ **Disbursement of the single tranche of the loan**

The Loan Agreement provided in section 2.01 for the disbursement of a maximum amount of EUR 80,400,000, or about CFAF 52,742,400,000 according to the Enabling Decree n°. 2019/671 of 12 December 2019. The loan was then executed at the rate of CFAF 655.957 for an amount of CFAF 52 738 942 800.

On 5 February 2020, a credit transfer order of CFAF 52,607,095,443 was issued by the AfDB for Account n°. 10.312701.0.1070 "*Special Deposit - Competitiveness and Economic Growth Support Programme - PHASE III,*" opened in the books of BEAC.

This resulted in a difference of CFAF 131,847,357 between the amount of the loan and the amount transferred to the account mentioned above.

A reading of the Loan Agreement revealed that Section 2.03 provides for an opening fee of 0.25% of the loan amount. This fee is due upon approval of the loan by the AfDB and may be deducted from the loan resources.

Applying the rate of 0.25% on EUR 80,400,000 to the rate of CFAF 655.957, we find the amount of CFAF 131,847,357. This amount, therefore, represents the opening fee provided for in Section 2.03 of the Loan Agreement.

The Audit Bench deduces that the amount of the AfDB loan transferred to the account "*Special Deposit-Competitiveness and Economic Growth Support Programme Phase III,*" opened in the books of BEAC, complies with the terms of the loan agreement.

3.1.2. Financial flows from the "Special Deposit-Phase III Competitiveness and Economic Growth Support Programme" account to the "Public Treasury Current Account"

The review of the procedure for the withdrawal of funds from the "Special Deposit-Competitiveness and Economic Growth Support Programme Phase III" account and the analysis of the financial flows from this account to the "Current Account of the Public Treasury" allowed the Audit Bench to note two (2) situations: the procedure for the withdrawal of funds and the information on bank reconciliation from the account "Special Deposit-Competitiveness and Economic Growth Support Programme Phase III."

3.1.2.1. The procedure for withdrawing funds from the "Special Deposit-Competitiveness and Economic Growth Support Programme Phase III account."

Under Section 67 of Law n°. 2018/012 of 11 July 2018, on the Fiscal Regime of the State and other Public Entities, and Article 11 of Decree n°. 2013/160 of 15 May 2013 relating to the General Rules on Public Accounting, the Minister in charge of Finance shall be the principal authorising officer of the State in matters of revenue.

The Audit Bench, when examining the transfer orders from the "*Special Deposit-Competitiveness and Economic Growth Support Programme Phase III*" account to the "Treasury's current account at BEAC", revealed that they were all issued by the Minister of Finance, the sole signatory of the account.

3.1.3. Analysis of financial flows from the "Special Deposit-Phase III Competitiveness and Economic Growth Support Programme" account to the "Public Treasury Current Account."

Concordant information from BEAC and ACCT accounts enabled the Audit Bench to summarise these financial flows from Account n°.10.312701.0.1070 "Special Deposit-Competitiveness and Economic Growth Support Programme Phase III," which amounted to CFAF 47,000,000,000, with a credit balance of CFAF 5,607,095,443.

Account n°.10.312701.0.1070 "Special Deposit-Competitiveness and Economic Growth Support Programme Phase III" is dedicated to financial flows. Thus this balance represents the remaining balance of the AfDB's financing of PACCE III, the subject of the Loan Agreement No. 2000200004657 signed on 19 December 2019.

3.1.4. Financial flows of the "Treasury Current Account" for the financing of the State Budget

These are third-level flows. They cover the following aspects:

3.1.4.1. Procedure for the payment of budgetary expenditures

According to Section 64 of the Law mentioned above n°. 2018/012 of 11 July 2018, the operations carried out to execute the State budget are the responsibility of the authorising officers and public accountants. The duties of authorising officers and accounting officers

shall be separated and incompatible regarding both the execution of revenue and expenditure.

The procedure for execution of expenditure shall comprise the commitment, validation and authorisation phases, which are the responsibility of the authorising officer, and the payment phase, which is the accountant's responsibility.

The use of funds from the AfDB's loan to finance the Competitiveness and Economic Growth Support Programme (PACE III) was in line with the general rules applicable to the management of public funds, particularly the principle of universality.

According to the Audit Bench, the AfDB's loan funds were managed following the regulations on the management of public finance in force in Cameroon.

3.1.4.2. Analysis of the financial flows from the "Treasury current account" to the beneficiaries, potential providers of services related to the sub-components of PACE III

The third level flows contribute to the payment of expenditures incurred by the administrations concerned by the PACCE III, which are broken down into the following components

- Component I: the Ministry in charge of Finance, the Ministry in charge of Economy, Planning and Regional Development and the Ministry in charge of Public Contracts;
- Component II: the Ministry in charge of Transport, the Ministry in charge of Public Works, the Ministry in charge of Mines, Water and Energy, the Ministry in charge of Agriculture and Rural Development, the Ministry in charge of Livestock, Fisheries and Animal Industries.

These expenses are borne by the Treasury's single account, funded by the State's own resources and budgetary support from technical and financial partners. This involves the application of the principles of a single unified treasury and the non-allocation of revenue to specific expenditures.

Thus, it was noted through the Audit Bench's observations and the various interviews with DGTFMC officials that payments to service providers linked to the two above-mentioned components make it difficult to trace with certainty the origin of the funding on which the payment for a service is based.

The documents sent by the Ministry of Finance to the Audit Bench, particularly the "situation of outstanding payments of previous years paid in 2020," which were committed for CFAF 547.86 billion and paid for CFAF 378.65 billion, did not allow the Audit Institution to identify the types of expenditures paid by PACCE III funds.

At this stage, auditing the use of PACE III resources could have been done by monitoring the execution of the programmes of loan agreement components.

However, the globalising formulation of the elements of the programme does not allow direct identification of their execution.

In addition, the Audit Bench could not rule on compliance with the provisions of Section 4.07 on ineligible Expenditure, which are specified in the negative list in Appendix II to PACCE III Loan Agreement.

3.4. CONCLUSION

At the end of its mission to audit the financial flows of the Competitiveness and Economic Growth Support Programme (PACCE III), carried out following international auditing standards (ISSAI), national standards and under the mandate entrusted to it by Loan Agreement No. 2000200004657 signed on 19 December 2019 between AfDB and the State of Cameroon, and reiterated by correspondence n°. 000003598/L/MINEPAT/SG/DGCOOP/DIR/SDCRA/IE3 of 20 July 2020 from the Minister of Economy, Planning and Regional Development, the Audit Bench of the Supreme Court:

1) Certified the sincerity and regularity of the financial flows:

- From the AfDB to the special deposit account "*Competitiveness and Economic Growth Support Programme PHASE III*" opened at BEAC;
- from the special deposit account "*Competitiveness and Economic Growth Support Programme PHASE III*" to the "Treasury Current Account" held at BEAC;

2) Expresses reservations, in the current state of public finance management regulations and the absence of additional information, about the use of AfDB funds for the exclusive payment of PACE III expenditures during the term of the related Loan Agreement;

3) Recommended:

- That a single dedicated account should be opened and used for the entire duration of the implementation of the PACCE to receive all AfDB budgetary support related to the financing of this programme;
- That auxiliary registers should be kept at the Ministry of Finance to identify expenditures made with PACCE funds.

RECOMMENDATIONS OF THE AUDIT BENCH

CHAPTER 1. RECOMMENDATIONS IMPLEMENTED DURING THE 2020 FINANCIAL YEAR

SECTION 1. THE GENERAL ACCOUNT OF THE STATE

No action was taken on several recommendations made by the Audit Bench relating to compliance with certain budgetary principles. However, other recommendations are gradually being implemented.

Single paragraph. Compliance with the principles and procedures governing the management of accounting and budgetary operations

In 2011, the Audit Bench recommended compliance with the principles and procedures of processing and recording of accounting and budgetary operations to improve the determination of budget balances and give sincere results on the execution of the budget. **(Recommendation 11-03).**

During the 2020 Settlement Bill review, the Audit Bench observed that the principles had been respected insofar as there is no longer a difference between the balance the Audit Bench calculated and the balance the Ministry of Finance presented.

SECTION 2. THE SETTLEMENT BILL

Single paragraph. Recording of operations relating to direct external loans in the Trial Balance

To ensure the completeness of the recording of state budget execution operations, the Audit Bench had recommended in 2013 (**recommendation 13-03**) that operations relating to drawing on direct external loans appear in the Trial Balance under section 68 of the Fiscal Regime of the State.

In 2019, after observing that the said recommendation was still not implemented, the Audit Bench reiterated it.

During the review of the Settlement Bill for the 2020 financial year, the Audit Bench noted that the Ministry of Finance provided a Trial Balance in which drawings on bilateral and multilateral direct external loans appear.

CHAPTER 2. REMINDER OF PREVIOUS RECOMMENDATIONS NOT IMPLEMENTED

SECTION 1. LAW N^o. 2003/005 OF 21 APRIL 2003

In its various reports, the Audit Institution keeps recalling the recommendations concerning the review of the law establishing the jurisdictions, organisation and functioning of the Audit Bench of the Supreme Court.

Paragraph 1. Review of Law n^o. 2003/005 of 21 April 2003

Recommendations **06-1, 06-2, 06-3 and 06-4** relating to the revision of Sections 2, 8 and 39 of Law n^o. 2003/005 of 21 April 2003. The urgency of this review was perceived through the workshop organised by the Audit Bench in June 2013. This anticipated the inadequacies of the current law with the provision of new powers that Law n^o. 2018/011 and Law N^o. 012 of 11 July 2018 assigned to the Audit Bench were renewed in 2019.

Indeed, the Audit Bench recommended the government to revise Law n^o. 2003/005, its organic instrument, which would result in an organic law that is in harmony with the various laws mentioned above.

Paragraph 2. Production of accounts

Recommendation 08-2 made in 2008 on the transmission to the Audit Bench, on the diligence of the Minister of Finance, of accounts of natural persons performing official duties or those of certified public accountants of corporate persons invested with a specific mission and receiving as a result thereof national or international grants as prescribed by Sections 8 (7) of Law n^o. 2003/005 of 21 April 2003 laying down the Jurisdiction, Organisation and Functioning of the Audit Bench of the Supreme Court, is still not implemented.

Paragraph 3. Annual production of updated lists of entities to be controlled containing names and contact information of the accountants and authorising officers concerned

Law n^o. 2003/005 of 21 April 2003 to lay down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court provides in its section 11 that, *"the list of corporate bodies governed by private law in which the State and other corporate bodies governed by public law, hold either jointly or severally, more than half of the capital, a share of the capital, or the decision-making power, shall be notified to the Audit Bench by the minister in charge of finance. This list shall be indicative. The Audit Bench shall be immediately informed about any amendments thereof."*

Public establishments and public enterprises are created while others disappear. Consequently, there is a need for the Audit Bench to control the structures under its jurisdiction.

In 2015, the Audit Bench recommended that the provisions of section 11 of the law mentioned above be formally complied with (**Recommendation 15-1**). To date, no action has been taken on this recommendation.

Paragraph 4. Notification of the rulings of the Audit Bench

In 2015, the Audit Bench recommended that administrative and council authorities should be sensitised on the role they should play in the procedure of notification of its rulings.

Several notifications from the Audit Bench do not reach their addressees because the procedure of notification of its rulings is unknown (**Recommendation 5-2**). To date, no action has been taken on this recommendation.

Paragraph 5. Accounting deficits

In 2014, the Audit Bench made an observation on deficits, in particular that, "*The review of the management accounts submitted by public accountants reveals that the deficits of public accountants reported are not always accompanied by the minutes establishing these deficits and signed by those responsible for the said deficits and auditors. It also shows that some of them are not supported in accounting entries. Moreover, those responsible for most of the deficits are not named. On 31 December 2014, the total amount of deficits in the financial districts amounted to CFAF 12,121,866,583*" (**Recommendation 14- 6**).

Paragraph 6. The establishment of a body of auditors for the Audit Institution

Under Section 19 of Law n°. 2003/005 of 21 April 2003 to lay down the Jurisdiction, Organisation and Functioning of the Audit Bench of the Supreme Court, "*the Audit Bench may use category A civil servants and contract workers of at least the category 10, who are assigned to it.*"

According to this provision, since 2013, the Audit Bench has been employing graduates of higher education as contract officers assigned to the functions of Audit Assistants. However, this staff, which assists Legal and Judicial Officers in their control activities and whose performance is highly valued, would benefit from being part of an organised body.

Therefore, the Audit Bench recommended that the Government should establish a body of auditors within the Audits Institutions of Cameroon. (**Recommendation 19-03**).

SECTION 2. THE APPLICATION OF LAW N°. 73/7 OF 7 DECEMBER 1973 RELATING TO THE RIGHTS OF THE TREASURY TO SAFEGUARD PUBLIC ASSETS

Single paragraph. Treasury's securities and guarantees on public assets

In 2013, the Audit Bench recommended compliance with Law N°. 73/07 of 07 December 1973 relating to the preferential claims of the Treasury to safeguard public funds to guarantee the claims of the Treasury and make effective the execution of court decisions against defendants

in debit to the State or entities benefiting from the preferential claim of the Treasury (**Recommendation 13-01**).

SECTION 3. THE SETTLEMENT BILL

Paragraph 1. Budgetary expenditure relating to guarantee by the State.

In 2013, the Audit Bench recommended that the execution of the budgetary expenditure relating to the State's guarantee to public establishments and semi-public enterprises in respect to concessional loans be properly informed in the Settlement Bill (**Recommendation 13-02**).

Paragraph 2. Expenses incurred in cash advances.

Considering the accumulation of expenses in advance of cash, the Audit Bench recommended in 2014 the introduction of auxiliary registers to monitor the regularisation of such expenditure in accounting posts (**Recommendation 14-02**). To date, no action has been taken on this recommendation.

Paragraph 3. The implementation of regulatory measures aimed at limiting the opening of administrations' deposit accounts to only revenue-generating entities

During the 2019 Settlement Bill review, the Audit Bench noted that some administrations without own-source revenues continue to receive deposits in accounts 45 "*Deposits of administrations*." However, the generalisation of deposit accounts undermines the completed-service rule and the principle of budget annuality. Therefore, the Audit Bench recommended (**Recommendation 19-01**) that rigorous measures be taken to improve the use of these accounts. This recommendation is still unimplemented.

SECTION 4. THE GENERAL ACCOUNT OF THE STATE

Single paragraph. Decree N°. 2013/160 on the General Rules Governing Public Accounting

Recommendation 14-1 was made in 2014 as follows, "*In its article 128, Decree N° 2013/160 to lay down the General Rules governing Public Accounting has progressively applied, until a period of six years, the full application of the rules and procedures resulting from the principle of recognition of rights and obligations, as well as the accrual accounting of general accounting. The implementation of cost accounting and the linkage to the mechanisms of programme budget for Public Establishments and Regional and Local Authorities*". However, the deadline is not far. The government must take all necessary steps to prepare the various structures by that date, remains unimplemented.

SECTION 5. MISSING SERVICE NUMBERS ON APPOINTMENT INSTRUMENTS

Single paragraph. Service numbers of accounting officers

Service numbers of public officials are increasingly missing from the instruments appointing them to positions of responsibility. Most management accounts of accountants, authorising

officers, or other officials reaching the Audit Bench do not include service numbers. The absence of service numbers in the appointment instruments makes it difficult to identify, notify, and even execute the rulings of the Audit Bench. Accordingly, in 2014, the Audit Bench recommended that the staff's service numbers be entered on appointment instruments. **(Recommendation 14- 5).**

SECTION 6. STATUS OF ACCOUNTING OFFICERS

Single paragraph. Status of Accounting Officers

In their duties, accounting officers face numerous challenges linked to the organisation of their services, staffing, and the financial support of institutions that employ them.

Thus, in 2017, the Audit Bench recommended that the Ministry of Finance should establish a framework to reflect on the status of accounting officers **(Recommendation 17-03)**. No action has been taken since this recommendation was made.

SECTION 7. PERFORMANCE OF THE TAX ADMINISTRATION

Single paragraph. Evaluating the Tax Administration

Using the TADAT tool to assess the tax administration, the Audit Bench recommended in 2017 that measures be taken to render the tax administration more efficient. This could be done by reducing the cost of tax management for natural persons, enterprises and administrations, strengthening transparency and integrity within the tax administration, and improving the collection and management of tax arrears **(Recommendation 17-05)**.

SECTION 8. LEGAL FRAMEWORK FOR OPENING PUBLIC DATA

Single paragraph. Opening of public data in Cameroon

In 2019, the Audit Bench reiterated recommendation n°. 17-06 on the establishment of a legal framework governing the opening of public data in Cameroon. This recommendation has not been implemented.

SECTION 9. FORMALLY GIVING THE AUDIT BENCH THE STATUS OF A SUPREME AUDIT INSTITUTION

Single paragraph. Status of Supreme Audit Institution

Law n°. 2018/011 and Law n°. 2018/012 of 11 July 2018 broadened the powers of the Audit Bench, without conferring to it the status of a SAI according to the provisions of CEMAC Guidelines n°. 01/11-UEAC-190-CM-22 of 19 December 2011, in its article 72.

In addition, the Audit Bench complies with the Lima Declaration on Guidelines on public finance auditing, on the one hand, and the Mexico Declaration on the independence of SAIs, on the other hand.

In 2018, the Audit Bench recommended that the CEMAC Guidelines mentioned above be fully internalised. In addition, the status of a Supreme Audit Institution should be formally given to the Audit Bench. **(Recommendation 18-01).**

SECTION 10. ESTABLISHMENT OF AN AUTONOMOUS FINANCIAL LEGAL DEPARTMENT

Single paragraph. Establishment of an autonomous Financial Legal Department

Financial justice is a specialised area of justice that is separated from administrative justice and judicial justice. Therefore, for greater efficiency, the Audit Bench and its branches should have an independent financial Legal Department with financial Legal and Judicial Officers trained in judging public accounts, monitoring financial legal system and budget compliance and evaluating public policies.

In 2018, the Audit Bench recommended the establishment of a specialised financial legal department separate from that of the Supreme Court. **(Recommendation 18-02).**

SECTION 11. ALLOCATION OF A HEAD OFFICE BUILDING TO THE AUDIT BENCH

Single paragraph. Allocation of a head office building to the Audit Bench

In 2018, after an observation made in these words, "*The human resources at the Audit Bench is constantly increasing. The number of staff working at the Audit Bench is bigger than that of the other two Benches of the Supreme Court combined, i.e. one hundred and eighty-six (186) persons. Thus, several Legal and Judicial Officers and other staff do not have offices and are reduced to working together in cramped and improvised spaces.*" The Audit Bench recommended that a Headquarters building be made available **(Recommendation 18-04).**

SECTION 12. IMPLEMENTATION OF A COLLABORATION MECHANISM BETWEEN THE AUDIT BENCH, PARLIAMENT AND THE GOVERNMENT

Single paragraph. The implementation of the provisions of law N°. 2018/012

The new Fiscal Regime of the State and other Public Entities allows the Government and Parliament to ask the Audit Bench to investigate and analyse any accounting and financial issues. This assistance to these bodies is not yet operational.

To allow the Audit Bench to effectively carry out its mission, this Institution recommended in 2018 that a collaboration mechanism be set up between it, Parliament and the Government. **(Recommendation 18-05).**

SECTION 13. CONTROL OF STATE HOLDINGS IN PUBLIC ENTERPRISES

Single paragraph. The active involvement of State representatives in the Boards of Directors of Public Enterprises

Control of State's holdings in public enterprises revealed their low profitability and lack of monitoring. To this end, in 2019, the Audit Bench recommended active participation of State representatives in the Boards of Directors of the said enterprises. **(Recommendation 19-02).**

CHAPTER 3. NEW RECOMMENDATIONS

SECTION 1. IMPLEMENTATION OF LAW N^o. 2018/012 OF 11 JULY 2018.

Single paragraph. The mission of assistance to parliament

Section 85 (9) of Law n^o. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other Public Entities provides as follows, *"Parliament may rely on the Audit Institution for the exercise of parliamentary control. To this end, the parliamentary committees responsible for finance may ask the Audit Bench to carry out an investigation into the management of the services or bodies they audit.*

However, a framework needs to be established to ease the implementation of this legal instrument

Recommendation 20-01. Setting up of a Technical Committee within the permanent framework of consultation between, on the one hand, the Finance and Budget Committee of the SENATE and, on the other hand, the Finance and Budget Committee of the National Assembly and the Audit Bench.

The Audit Bench recommends the creation of a technical support committee within the permanent frameworks of consultation between, on the one hand, the Finance and Budget Committee of the SENATE and, on the other hand, the Finance and Budget Committee of the National Assembly and the Audit Bench.

SECTION 2. IMPLEMENTATION OF LAW N^o. 2019/024 OF 24 DECEMBER 2019

Paragraph 1. The appointment of municipal or regional treasurers

According to the provisions of Section 439 (1), (2) and (3) of Law n^o. 2019/024 of 24 December 2019 on the General Code of Regional and Local Authorities (RLAs), municipal treasurers shall be appointed either by joint order of MINFI and MINDDEVEL or by order of MINDDEVEL. However, the Audit Bench notes that the authority empowered to appoint accountants of RLAs is not clearly identified.

Recommendation 20-02. Entrust the appointment of municipal and regional treasurers of Regional and Local Authorities to the sole Minister of Finance

The Audit Bench recommends that this duality be corrected by entrusting the appointment of municipal and regional treasurers of Regional and Local Authorities to the Minister of Finance. He is the only person who knows the staff of the treasury network over which he has hierarchical authority.

Paragraph 2. Ongoing training for those involved in the management of RLAs.

Since the establishment of the Audit Bench, the management accounts of RLAs produced by accountants to it are neither reviewed nor prepared following the provisions of Joint Instruction

n°. 0000079/IC/MINATD/MINFI of 10 January 2012 relating to the keeping of accounts of Regional and Local Authorities and Instruction n°. 214/I/MINFI of 17 September 2010 on the presentation of management accounts of Regional and Local Authorities. This does not allow the Audit Bench to carry out its controls.

Recommendation 20-03. insists on the permanent training of those involved in the management of Regional and Local Authorities on the preparation and production of accounts

The Audit Bench recommends that those involved in managing Regional and Local Authorities be permanently trained on the preparation and production of accounts.

SECTION 3. IMPLEMENTATION OF THE RECOMMENDATIONS OF THE AUDIT INSTITUTION

Paragraph 1. The need to implement the recommendations made by the Audit Bench

For more than a decade now, the Audit Bench has been making recommendations in its various activity and finance law execution reports. However, several of these recommendations have still not been implemented by the government, particularly those relating to

- the need to proceed with the setting up of Regional Audit Courts under Law n°. 2006/017 of 29 December 2006, and the current context of devolution of powers and resources;
- review of Law n°. 2003/005 of 21 April 2003 to lay down the Jurisdiction, Organisation and Functioning of the Audit Bench of the Supreme Court;
- the formal recognition of the status of Supreme Audit Institution to the Audit Bench following the provisions of article 73 of the CEMAC Directive on financial laws;
- The establishment of an autonomous Financial Legal Department

Recommendation 20-04. Sensitise the government on the need to implement the recommendations made by the Audit Bench.

The Audit Bench recommends that the government be educated on the need to implement its recommendations.

Paragraph 2. The execution of the rulings of the Audit Bench

Since 2006, the Audit Bench has rendered several rulings condemning those involved in financial management to pay penalties and fines, which today amount to several hundreds of millions francs. However, very few of these rulings are executed, which causes a significant loss of revenue to the State.

Recommendation 20-05. Execute the rulings rendered by the Audit Institution against those involved in management.

The Audit Bench recommends that the Ministry of Finance systematically enforces its rulings against those involved in the management and keep it informed in due course.

CONCLUSION

The Audit Bench report for the 2020 financial year shows that this institution fulfils its obligation to present the results of the work it carries out every year to the authorities, citizens and the general public together with its proposals for reforms following the laws and regulations and more precisely Section 3 of Law N°. 2003/005 of 21 April 2003 and Section 43 of Law n°. 2018/011 of 11 July 2018 respectively relating to the Code of Transparency and Good Governance of Public Finance of Cameroon and the Fiscal Regime of the State and other Public Entities.

These proposals or recommendations should promote both the expansion of the tax base to increase the resources of the State and more transparency in the management of public finance.

The quality of the audits mentioned in this report, as well as those in the report on the Special National Solidarity Fund for the fight against the Coronavirus and its economic and social repercussions, further confirms the Audit Bench in the exercise of its social responsibility on the one hand, and legitimises it, on the other hand, as a Supreme Audit Institution as defined by INTOSAI, AISCCUF and Directive n°. 06/11-UEAC-190-CM-22 of 19 December 2011 relating to the Code of Transparency and Good Governance in the management of public finance.

The Audit Bench is keen to maintain the results it has achieved and even intends to improve them with the arrival of many young Legal and Judicial Officers.

This would require that the most important constraints of the moment for the Institution be lifted, namely:

- the provision by the authorities of a headquarters building capable of housing its personnel;
- the renewal of its outdated vehicle fleet;
- increased financial resources to enable it exercise the new powers assigned to it by the Code of good governance and transparency in the management of public finance in Cameroon, the Fiscal Regime of the State and other Public Entities, and the General Code of Regional and Local Authorities.

In the meantime, the publication of the Audit Bench's Annual Report complies with ISSAI 20, Principle 8, according to which "*supreme Audit Institutions should communicate timely and widely on their activities and results through the media, the internet or other means.*

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The following signed the minutes of this Annual Report

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